

Iran sanctions order changed after MPs' revolt

The Government last night called off its sudden
decision that the trade embargo on Iran would be
reactive. Mrs Thatcher convened a special
meeting of ministers at Downing Street within
hours of a threatened Conservative revolt and
furious MPs on both sides of the House of
Commons had forced a debate on sanctions
and emergency procedures.

Earlier contracts to be exempted

George Clark
Political Correspondent
Mrs Margaret Thatcher
called a special meeting of
ministers last night to discuss
the threatened Conservative
revolt and within three
hours of the announced
decision that sanctions would
be reactive, applying to all
contracts completed since
September 4, 1979, the proposed
sanctions were called off.

It was made clear from Down-
ing Street that an Order relating
to sanctions against Iran
would apply to any contract made
on or after the date on which the
Order is made.

It means the Conservative
who had protested to the
Government Whips that the
decision would cause
confusion in industry and lead
to claims for compensation,
the assurance they
needed.

It was, it was re-
ported, had been surprised by
the strength of the Conserva-
tive reaction to the proposal.
The decision would be caused
by the foreign minis-
ter of the European Com-
mission in Naples on Sunday.

Mr Ian Gilmour, Lord Privy
Seal, who had the task of ex-
plaining the decision as Foreign
Secretary, had a hostile
reception from both sides of
the House.

The application of Mr
Dalyell, Labour MP for
Lothian, backed by Mr
Powell, Official Ulster
Speaker, Mr George
Young, Conservative MP for
Dorset, and an emergency
debate on the issue of
sanctions over all busi-
ness in the Commons today.

Government has been
determined since it came
to power a year ago. Last night
the obvious fact was that
the whole of the Opposi-
tion would have voted against
retrospective sanctions,
and probably a hundred
Conservatives would have
voted with them.

prospective effect, the general
impression received by MPs
was that the sanctions would
not apply to existing contracts.
What is intriguing to MPs now
is the state of the European
agreement on sanctions. Sir
Ian Gilmour emphasized that
the action to make the prohibi-
tion retrospective was co-
ordinated with all Britain's
Community partners and that
legislation in all nine countries
would be timed to ensure that
no one country could gain any
advantage.

Since the Government has
accepted that it would not be
able to carry out the agreement
of the Nine, presumably an-
other emergency meeting of
foreign ministers or their de-
puties will have to be arranged
to review the new situation
created by the United Kingdom.

Critics of the EEC said last
night that this is the first oc-
casion when the British Parlia-
ment has effectively asserted its
power to reject a Community
decision. Certainly there has
never been such a quick about-
turn after a definitive minister-
ial statement.

Emergency debate: The debate
will take place for three hours
today (Our Parliamentary Cor-
respondent writes).

The distinct impression given
only last week to the Commons
by Mr Douglas Hurd, Minister
of State for Foreign and Com-
monwealth Affairs, during the
two-day passage of the Iran
(Temporary Powers) Bill, was
that the sanctions to be imposed
would affect only future con-
tracts.

It was that assurance that
resulted in the large majority
of 145 for the legislation with
many Labour MPs, including
Mr Peter Shore, the Opposi-
tion's foreign affairs spokes-
man, voting for the Bill.

Yesterday, the Government
faced condemnation from Con-
servative as well as Labour
MPs for having misled the
House and in bitter exchanges
lasting 45 minutes, only one
 Tory backbencher rose to give
support to his hard-pressed
front bench. There were
charges of cheating, conning
the House of Commons, of
allowing Britain to appear the
creature of the United States,
and of being pressurized by
our partners in the EEC.

Israel dumps Arabs in abandoned camps

From Christopher Walker
Jericho, May 19

For the first time since
occupying the West Bank, the
Israeli authorities have em-
barked on a policy of banishing
Arab families to dilapidated
mudhuts in abandoned refugee
camps which have no sanitation,
electricity, or running
water and are infested with
wild dogs, scorpions and mos-
quitoes.

In the past few days two
families have been subjected to
this punishment because one
man from each family was sus-
pected of attacking an Israeli
vehicle. With all their posses-
sions, the Arabs were dumped
by Israeli lorries in eerie,
deserted camps at either end
of Jericho which have been
abandoned since 1967.

Originally intended to house
40,000 Palestinian refugees, the
camps are now an eyesore contain-
ing only a few hundred Beduin
living from hand to mouth.
Filth has collected in the
crumbling, roofless huts, and
they are regarded as a serious
health hazard by the United
Nations relief agency which has
long abandoned their upkeep.

Although situated close to a
main road few visitors ever
stray up the narrow, potholed
tracks which straggle through
rows of empty buildings.
The general atmosphere
of desolation and decay is
worsened by the oppressive
climate of the desert where
temperatures regularly climb
over 100°F.

The exiled families include a
number of women and children,
and those who worked have lost
their jobs as a result of the
banishment, which the Israelis
have said will be permanent.
The Arabs have been told to
take their identity cards to the
military governor and have
their original addresses in
Nablus and Bethlehem altered to
Jericho.

Internal exile is the most con-
troversial part of officially ap-
proved measures designed to
quell the recent wave of in-
famous attacks on Israeli
vehicles.

By Annabel Ferriman
Health Services Correspondent
Britain's 100,000 doctors and
dentists have been recom-
mended pay increases of 31.4
per cent. Nursing organizations
whose members have been told
they must accept 14 per cent,
have protested vigorously.

The Prime Minister said in
Parliament yesterday that the
Government will accept the
recommendations made by the
Review Body on Doctors' and
Dentists' Remuneration and
published yesterday.

The award is in two parts:
10.7 per cent is the last instal-
ment of their 1978 settlement
which was staged over two
years because of the pay freeze
prevailing in 1978, and 18.7 per
cent is compensation for infla-
tion since April last year. The
first part is added to the wages
bill before the second part is
calculated, making a total of
31.4 per cent.

The award gives general
practitioners' rates of about
£4,000 a year, taking them from
£12,327 to £16,290. Hospital
consultants on the top grade
will receive £19,870 instead of
£15,279; and dentists will
receive £14,675 instead of
£11,128.

The pay review body says in
its report that the last Govern-
ment's pay freeze seriously
affected the position of doctors
and dentists, with regard
to proper recognition of their
value to the community and
within the general pecking
order.

Former KGB agent who defected explains his role in spreading approved version of events Afghanistan invasion surprised some Soviet officials

Ilya Dzhirkvelov, a former
KGB officer and Tass corres-
pondent, defected to Britain
last month. He has been inter-
viewed exclusively by The
Times. His disclosures about
life in the KGB, Tass, how
Soviet overseas officials are
organized, Soviet attitudes to
the Third World and specific
policies in East Africa, will
appear in a series of articles in
The Times this week and next.
In this first article he recounts
how officials within the Soviet
machine have reacted to the
Afghan invasion and the
Olympic boycott.

The Soviet invasion of
Afghanistan surprised and dis-
mayed many middle-ranking
Soviet officials, some of whom
privately welcomed President
Carter's call for a boycott of
the Olympic Games in the hope
that it might make the Krem-
lin think again.

This emerges from an exclu-
sive interview given to The
Times by Ilya Dzhirkvelov, a
former KGB officer and Tass
correspondent who defected to
Britain at the beginning of
April this year.

Most recently Mr Dzhirkve-
lov held the post of information

officer at the World Health
Organization in Geneva. But he
was also in charge of the
Soviet propaganda effort in all
the Geneva international organi-
zations, and after the inva-
sion of Afghanistan, had the
dual task of spreading the
Soviet version of events among
his Western colleagues, and
relaying their reactions to
Moscow.

In the version laid down by
Moscow for dissemination
abroad, the invasion was dic-
tated by the Soviet desire for
peace and by the need to
defend the interests of social-

ism against foreign—mainly
American—interference.
Approval of this line how-
ever was "hard to find" among
Western officials in Geneva,
and Mr Dzhirkvelov and his
colleagues were not for the
first time—placed in the
position of having to tell the
Kremlin what it wanted to hear
rather than the true state of
affairs.

Their task was made doubly
difficult by the fact that they
themselves did not believe the
official explanation they were
required to impress on the
West.

Not having been given warn-
ing in advance of the invasion,
Soviet officials abroad were
taken aback. "When we dis-
cussed Afghanistan among our-
selves," Mr Dzhirkvelov told
The Times, "we simply could
not understand why the leader-
ship (in the Kremlin) had felt
it necessary to take such a
senseless and irrational step.
We thought it was complete
madness."

Mr Dzhirkvelov himself, who
was for many years a Soviet
intelligence expert on Iran
Continued on page 8, col 5



A Florida National Guardsman ready to shoot as he protects firemen during the Miami race riots.
In two days the turmoil has claimed 15 lives. Report, page 8.

Government agrees to 31.4% pay award for doctors and dentists

By Annabel Ferriman
Health Services Correspondent
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It says implementation of its
recommendations will bring
their earnings to what we be-
lieve to be the proper relation-
ship with those of other profes-
sions and comparable groups
outside the National Health
Service at April 1, 1980.

Dr John Hargrave, secretary of
the British Medical Association,
welcomed the report.
He said: "The increases re-



commended in this report and
accepted by the Prime Minister
will do no more and no less than
honour the undertaking given
by Mr Callaghan two years ago
that the pay of doctors and
dentists working in the National
Health Service would be
brought fully up to date by
April 1, 1980.

"After the 10 per cent
deficit has been corrected, this
award represents an increase of
18.5 per cent, which is within
the range of settlements and
less than the current rate of
inflation."

The total cost of the increase
is expected to be £312.5 million
for the 1977 per cent increase
and £206m for the extra 18.7
per cent.

The Department of Health
and Social Security said that
the cash limit of 14 per cent
was expected to be adequate to
cover the award, especially
when allowance is made for
savings through greater effi-
ciency in the health service.

It added that the 10.7 per
cent catch-up payment had
been allowed for in fixing the

Industry cuts indicate severe UK recession

By Our Economic Staff
Industry began to cut back
production in the first three
months of this year and reeve
into recession, according to
official figures released
yesterday. These confirm the
evidence from recent unem-
ployment figures that Britain
is sliding into what is expected
to be a severe recession.

Today's official unemployment
total is likely to be a postwar
record high.
It appears that industry, par-
ticularly in the manufacturing
sector, started to reduce its
output at the beginning of this
year, although the picture is
distorted by the steel strike.

Officials believe that even
after allowing for the steel
strike, the underlying level of
production has dropped in the
first quarter of this year
in all sectors except the North
Sea. During March total in-
dustrial output fell by 1.2 per
cent and manufacturing produc-
tion dropped by 2.4 per cent.
However, the quarterly fig-
ures give a better guide to the
trend of industrial activity. Yes-

terday's figures are the first
to suggest clearly a fall in in-
dustrial output. From early
1978 to the end of last year,
the underlying level of in-
dustry's production is thought
to have stayed broadly un-
changed.

Almost all economists are
expecting a sharp fall in output
this year, with companies out-
side the oil industry being par-
ticularly hard hit. The Treasury
is forecasting a 2.5 per cent fall
in gross domestic product, and
a 4.5 per cent drop in manu-
facturing output.

For some months the North
Sea sector has been the one
bright spot in the economy, and
it is now the only major area
where output is rising. Produc-
tion in all industries except for
oil and gas fell by 2.7 per cent
in the first three months of
this year. An increase of 3.75
per cent in North Sea produc-
tion in the same period cut the
overall drop in industry's out-
put during the quarter to 2.2
per cent.

Table, page 22

Unions give warning on winter

Two trade union leaders told
the Government yesterday that
wage claims would not be re-
strained this winter, but a third
urged co-operation between
the unions and the
Government.

Mr David Bassett, chairman
of the TUC economic com-
mittee, told his General and Mun-
icipal Workers' Union confer-
ence that "the Government's
attempts to restrain our efforts
to maintain and increase our
members' real wages is doomed
to failure". His negotiators, he
said, intended to take the fullest
advantage of the current free
market wages climate.

Mr Tom Jackson, a leading
moderate on the TUC general
council, and general secretary
of the Union of Post Office
Workers, told their annual
conference that pay claims
would at least have to cover
the current rate of inflation. He
attacked the Government as
being class ridden and docu-
mentaire, and ruled out any pos-
sibility that he would be party
to discussions as long as Mrs
Margaret Thatcher was Prime
Minister.

But Mr Frank Chapple,
general secretary of the
Electrical, Electronic, Tele-
communication and Plumbing
Union, who recently condemned
the TUC's day of action, urged
co-operation between the trade
unions and the Government.
Union leaders needed
urgently to rethink their role,
"to stop wasting the precious
loyalty of union members in
futile gestures, where there are
real battles to be won".
In spite of the differences be-
tween the Government and the
unions there was still much
which ought not to divide them.
The union with the Govern-
ment, but the unions could be
sure that a one-sided emphasis
towards conflict in industry
would not abolish it.

In one respect, therefore, the
day of action had cleared the
way for an initiative.
Reports, page 2

M Giscard leaves talks 'empty handed'

Warsaw, May 19.—President
Giscard d'Estaing of France
left the Polish capital appar-
ently empty handed tonight
after failing to shift the Rus-
sians over their intervention
in Afghanistan during a five-
hour, talk with President
Brezhnev.

The French President said
his meeting with the Soviet
leader had achieved its main
purpose by keeping doors open
to further East-West dialogue.
Answering a question put by
journalists before returning to
Paris, M Giscard d'Estaing
refused to describe his talks as
satisfactory. He noted that
France and the Soviet Union
were still far apart in their
approach to the crisis over
Moscow's military intervention
in Afghanistan.

He spoke of "wide diver-
gences particularly on the issue
of Afghanistan".
The French President, who
left Warsaw after spending 22
hours in the Polish capital, con-
ferred in the morning and
during a working lunch with
Mr Brezhnev.

Britain not consulted: The
British Government was not
aware of the French President's
Warsaw summit talks until late
on Saturday night and Mrs
Margaret Thatcher received a
note from him informing her of
the trip just before he actually
arrived in Poland (our political
correspondent writes).

Mrs Thatcher and Lord Car-
lington were not happy about
the lack of consultation with
the rest of the EEC, but the
attitude was "let us not be too
condemnatory, let us see what
comes out of it".

Giscard prestige, page 8

Granada halt TV show after secrets warning

By a Staff Reporter
Granada Television last night
withdrew its scheduled World
in Action programme at the
request of the Independent
Broadcasting Authority, which
said that it breached the Of-
ficial Secrets Act "in ways which
could be prejudicial to national
security".

The programme was due to
go out on all independent
channels and was withdrawn at
a late stage. It is understood
that it would have featured
allegations about the Hongkong
station of the Government
Communications Headquarters
(GCHQ).

Our terrorists held after death in Naples

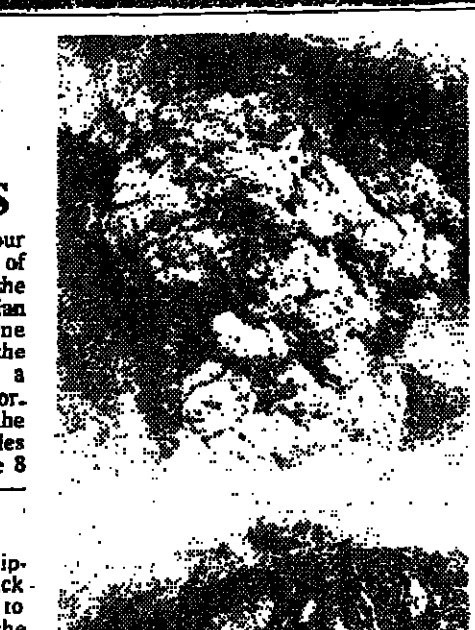
Italian police caught four
ists, claiming to be members of
the Brigades, immediately after the
death in Naples of a Christian
crat regional administrator. One
terrorists was wounded by the
police but they all fled in a
bandoned by a public prosecutor.
The police stopped the car, the
ists threw three hand grenades
killed to explode.

Page 8

tycoon's offer

tycoon Niarcho, the Greek ship-
owner, has offered to sell back to
h tanker "World Scholar" to
h Shipbuilders in return for the
ed price he paid for the vessel.
offer was made in a letter to
Times

Page 17



Killer volcano: Steam and ash rises
60,000ft above Mount St Helens,
the only active volcano in North America
which has killed at least nine people in
its latest eruption. A further 21 people
were reported missing as mudflows
from the 9,670ft volcano near Spirit
Lake, Washington state, engulfed
vehicles and cabins. Seven of the vic-
tims died in their cars from heat and
fumes. Another photograph, page 9

Civil Service cuts may save £500m

A Commons select committee has been
told that if the Cabinet's objective of
cutting Civil Service manpower to
630,000 by 1984 is met, the costs of
central government will be reduced by
£500m. A senior ministry official said
15,000 posts would go by next April.

Page 4

Oil price dilemma

Oil price rises announced by Libya and
Algeria have posed a problem for the
British National Oil Corporation. North
Sea oil is of a similar quality to North
African crude, but any move by BNOC
to increase its price would hamper
attempts to moderate world oil costs.

Page 17

Steel cuts: Wales TUC says it will fight

the deal arranged last week for job
reductions at Port Talbot plant

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Letters: On housing, from the Director
of Shelter, and Mr C. E. Tonkin.
Leading articles: Middle East; Doctor's
pay; Uganda.
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Elizabeth and Wayland Young on stopping
the arms race; Charles Douglas-Rome on
Quebec.
Sports, pages 11, 12
Cricket: West Indians' third win over a
county side; Football: England make 10
changes for match against Northern Ire-
land.
Arts, page 13
John Russell Taylor, reviewing new exhi-
bitions, finds Mondrian in a Dutch con-
text, and an unknown artist; David
Robinson reports from the Cannes Film
Festival.
Obituary, page 16
Professor E. E. Zepher, Mr Norman
Marshall.
Business News, pages 17-24
Stock markets: Oils tumbled after
rumours of production difficulties at the
Ninian field as gilt market time. The FT
Index fell 1.9 to 433.8.
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An enamel miniature
on gold.
Sebastian Garrard
by John Simpson, 1951.

The House of Garrard Antiques Fair

JUNE 4th to 20th

This special display at Garrard will include outstanding
antique jewellery,
silver clocks, watches,
and snuff boxes.

Diamond cluster ring,
circa 1800.
The principal diamond .557ct.

Diamond cluster ring,
circa 1850.

Diamond and onyx
cameo earrings,
gold and silver mounted.
Circa 1850.

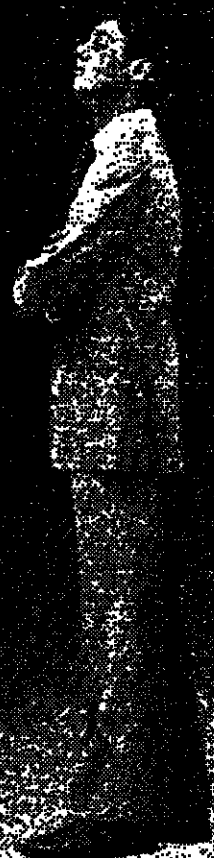
Note: except for
the miniature, pieces are
shown approximately one-third
larger than actual size.

GARRARD

The Crown Jewellers

112 REGENT STREET - LONDON W1A 2JJ - TELEPHONE: 01-734 7020

French
Amoco
Cadiz
at inq



These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph.*

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find

central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SALOON £10,100. COUPE £10,847. PRICES, CORRECT AT TIME OF GOING TO PRESS. INCLUDE CAR TAX & VAIL. DELIVERY & NUMBER PLATES EXTRA. *MANUFACTURER'S FIGURES.

Is it vulgar to talk about value in a luxury car?

HOME NEWS

Move to end Ulster press dispute fails

From Richard Ford Belfast

An attempt to end a dispute that has prevented publication of Northern Ireland's main Protestant morning newspaper failed yesterday. Members of the National Graphical Association (NGA) refused to take part in exploratory talks unless they were allowed to resume normal working.

The owners of the *News Letter* and the *Sunday News* sent all 400 members of staff a warning that they could not continue to pay wages indefinitely to employees who were not working even though they were not directly involved in the dispute.

Both papers stopped publication three weeks ago during the national dispute between the Newspaper Society and the NGA but have not reappeared since that was settled.

Mr Hugh Young, assistant secretary of the Northern Ireland branch of the NGA, said that the management insists on a new local agreement which would mean a change in shift patterns and consent to operate new technology.

Talks were to have taken place yesterday but after less than thirty minutes the union group left without meeting company officials. The management had offered to pay last week's wages to the 75 NGA men in the hope of starting talks.

The men are prepared to negotiate once they have returned to work, but not until then, Mr Young said.

The management of the family firm which owns the papers met yesterday to discuss their next move.

Although the warning letter to all staff was not in the form of a protective notice, many employees fear that may be issued soon.

Franchise strike: A republican prisoner in the Maze high security prison, Mr Martin McEneaney, began a hunger strike yesterday to protest his innocence. Mr McEneaney, from the Ardara area of Belfast, was jailed last March on charges of kidnapping and false imprisonment.

Until yesterday he had been taking part in the H block "dirty protest".

Planned cuts in Civil Service numbers should save £500m

By a Staff Reporter

Cuts in civil service manpower announced by the Prime Minister last week will reduce the cost of central government by £500m if the Cabinet meets its target of reducing the service to 630,000 by April, 1984, the Commons Select Committee on the Treasury and the Civil Service was told yesterday.

Sir John Herbeck, Second Permanent Secretary at the Civil Service Department, told MPs that 15,000 posts would go by the end of the present financial year to offset part of the cost of the 1980 civil service pay settlement. This means that the total number of civil servants, which stood at 705,000 last month, should be down to about 690,000 by next April.

Mr John warned the committee that the Government's plan to reduce the number of civil servants from the 734,000 inherited on taking office last year "will not be easy to achieve".

He also said that increasing unemployment would require the recruitment of an extra 7,000 officials by the Department of Health and Social Security and the Department of Employment. Whitehall would take account of that increase in ensuring that the target of 630,000 was met.

Replying to criticism from Mr Anthony Beaumont-Dark, Conservative MP for Birmingham, Sir John said that the administration rolls on the service rolls off. Sir John agreed that over-elaborate headquarters staff and diminished public services must be guarded against. Health

and social security, he said, had not into its headquarters staff more deeply than into its local offices which pay benefits to the public.

Mr Edward du Cann, Conservative MP for Taunton and chairman of the committee, asked how Sir Derek Rayner, joint managing director of Marks and Spencer and the Prime Minister's part-time adviser on eliminating government waste, had found so many areas for savings that had eluded the Civil Service Department in the past. Sir John said there was "no rivalry or hostility" between the department and Sir Derek.

The department had detected a gap in its work which it was about to fill when Sir Derek was appointed. Sir John denied that the department had insufficient powers to impose greater efficiency on other ministries.

Mr J. F. Boyd, principal establishment officer at the Board of Inland Revenue, said the introduction of tax self-assessment for the country's 25 million taxpayers in the PAYE system was "a doubtful proposition" until the board's switch to computers had been completed.

Mr Richard Shepherd, Conservative MP for Aldridge-Brownhills, asked Mr Richard Wilding, a deputy secretary at the Civil Service Department, to release a confidential letter sent to establishment officers on work reduction and manpower savings under the Croham directive on open government. Sir John Herbeck promised to examine that matter.

Remand in bomb case

An Iranian electronics technician who was arrested after a bomb exploded at an hotel in Baywater, London, on Saturday appeared briefly at Marylebone court yesterday charged with conspiring to cause explosions.

Eboudollah Nooripour, aged 28, who had been staying at the Queen's Gardens Hotel, was remanded in custody to appear at Lambeth magistrates' court on Thursday.

He is accused of conspiring between May 4 and 17 with an Iranian who was killed in the blast, Mostaghaym Tehrani Gholam Hossein, and with others to cause explosions in the London area. Reporting restrictions were not lifted. Police believe it will be at least a week before they can question a third Iranian, who was seriously injured in the blast and is under guard in London.

"Blue Parfum" and "Deep Secret" from Wheatcroft Roses, Nottingham, and the first time shown really miniature "Sweet", "Sugar Bay", "Surprise", "Kei", "Mie", "Aba-daba", "Green Bubbles" and "Hot Stuff" from Tony Clemens, King's Lynn.

There is a number of new perpetual flowering carnations from Steven Bailey, Sway, including "Anna Marie", "Barlo", "Caribe", "Esperance" and "New Arthur", and from Alwyn Mason, Wokingham, are two new sports of *Dianthus*, namely "Doris" and "Doris Elite".

Blackmore & Langdon, Bristol, have a colourful display of begonias and delphiniums, including new rubies, begonia "Scarlet O'Hara" and "Zulu", one pendulous begonia, "Pink Cascade" and a beautiful 1980 delphinium called "Carl Topping".

Flowers at Chelsea strike a new top note

By Our Horticultural Correspondent

The Royal Horticultural Society's Chelsea Flower Show, in the Royal Hospital Grounds, is a very beautiful and unusual. Each year exhibitors vie with each other to produce ever more spectacular results, be it exhibits in the three and a half acre Great Marquee or landscaped gardens outside, always with the hope of winning a gold medal.

With modern techniques of forcing and retarding, visitors are given an opportunity of seeing at one time in May an unusually large selection of plants, ranging from daffodils to roses. This annual show, the most famous of its kind in the world, is traditionally the venue for the introduction of many new plants to the public.

New roses invariably attract considerable attention. Some worthy of note include: "Regensberg", "Longleaf", "Sue Lawley", "Sue Lawley", "St Boniface" and "Australian Gold" from John Mattock of Oxford, who also sell McGredy's roses from New Zealand.

Anna Green, "Highfield", "Basil de Bood", "Bright Smile", "Butterfly Wings", "Fairy Land", "Pristine", "Anne Harkness" and "Pot o' Gold" from R. Harkness, Hitchin, who are now distributors in this country for roses from Dickson of Northern Ireland.

"Sunblaze", "Paradise", "Laura", "Carefree Beauty", from Melville Star Roses, Waltham Cross; "Popper", from Bees, Chester; "Red Ace", "Snowdrop" and "Southport Jubilee" from Fryer's Nurseries, Knaresborough; "Sherry Anne", "Swedish Doll", "Lover's Meeting" and "Ruby Wedding" from C. Gregory and Son, Nottingham.

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Photograph by Brian Harris

Miss Jane Gillett, Britain's top secretary, introducing a new rose, Pot o' Gold, at Chelsea Flower Show yesterday.

Three new irises, "Carey", "Serena" and "Miss Banbury", are among more than 100 plants exhibited by Kelways Nurseries, Langport.

One exhibit that makes essential viewing is that on the large "monument" site; it is staged by Mr L. Maurice Mason, King's Lynn, the first private amateur gardener ever to tackle this large and difficult area.

Mr Mason and his wife have personally collected all the tropical and sub-tropical plants, mainly in the wild, and the whole magnificent display has been staged by his two gardeners who have been with them since childhood. The display is always attract attention and those staged by Burnham Orchids, Newton Abbot, are magnificent, especially the display of *Phalaenopsis* "Space Queen", *Cymbidium* *lavinium* and the very attractive miniature forms.

For the first time there is an exhibit from China by the China National Native Produce and Animal By-Products Import and Export Corporation, Blackheath.

It consists of "Penjing" (miniature trees) which, literally translated, means pot scenery. These lovely trees, five to 100 years old, are similar to Japanese bonsai, grown in beautiful pots, but their culture originated hundreds of years earlier.

The show is open today for holders of members' tickets (admission may be obtained by joining the RHS at each entrance), and to the public on Wednesday and Thursday from 8 am to 8.30 pm and on Friday from 8 am to 5 pm. Children under five are not admitted.

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Mr Walker said that cost increases at all stages of milk production were severe after a year in which prices of bottled pints had risen by 21 per cent. "Farmers see surpluses of dairy produce on the Continent, and that gives them a fear of the future", he added.

Cut in milk price urged to curb imports

From Hugh Clayton Agriculture Correspondent

Periodic cuts in milk prices to fend off imports, Mr John Travers Clarke, president of the Dairy Trade Federation, said yesterday. The price of bottled pints would have to be reduced in summer after the seasonal fall of supply, he said.

That is when people in Europe have milk to spare", Mr Travers Clarke said at the annual conference of the Federation in Bournemouth. "The important thing is to get this agreed so that people there are not investing in plants thinking there is a pot of gold here."

He did not think British hygiene rules would give permanent protection against milk imports. Dairy producers believe that unrestricted imports would threaten the survival of the British system of doorstep delivery.

Mr Peter Walker, Minister of Agriculture, Fisheries and Food, said that the Government had ruled out a check on which EEC Commission for reasons why Britain was using hygiene rules to obstruct free international trading in milk.

Until there is a proper European regulation we have a right to keep imports out," Mr Walker said. "When I last looked at it you could deliver their milk to the shop here at a penny a pint cheaper than British milk could be delivered fresh on the doorstep."

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Blair Peach was hit twice, witness says

By Nicholas Timmins

Two Asian witnesses yesterday gave their accounts of how Mr Blair Peach was allegedly hit on the head by the police during the demonstration against the National Front in Southend in April last year.

Mrs Baiwan, 46, broadly confirmed the version given earlier to the inquest on Mr Peach, a teacher from New Zealand, by her son, Parvinder. She told Hammersmith Coroner's Court that she saw a policeman with a shield and baton in the corner of Beachcroft Avenue.

Unlike her son, she said that she saw Mr Peach hit twice, once when he was standing and once when he was sitting down. A different account was given by Yashwanth Bhatti, a charge-hand, aged 48, who lives in Orchard Avenue, near the corner where Mr Peach received his fatal injury.

Mr Bhatti said policemen came out of the vans in the road and started beating people. He said he saw three policemen surround Mr Peach and hit him on the head with their truncheons.

The inquest also heard from Mr Jaswant Atwal, Mrs Atwal's husband, into whose house Mr Peach was taken. He said that after Mr Peach had been taken to hospital the injured man's friends returned and told him not to make a statement to the police without a solicitor.

"They said Mr Peach's condition was very serious. They said they might have to sue the police," Mr Atwal said.

When the police asked later that night Mr Atwal refused to make a statement, or let his wife, who does not speak English, make one. He said he was afraid he might be implicated in something, because in India the police implicated people. His wife had told him that she had seen Mr Peach hit by a policeman.

Early next morning he told the police what his wife had said and seen, and in the evening made a statement in the presence of a solicitor, whose services were provided by the Anti-Nazi League.

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Scorn in the North for 'Buy British'

From Our Own Correspondent Manchester

Sir Michael Edwards, the chairman of British Leyland, has fallen into a "pernicious trap" in his "Buy British" campaign, according to Mr Paul Temperton, director of the Campaign for the North Organisation.

"His ludicrous outburst is just the latest example of the psychological prison created by the false idea that Britain is a place of 'Buy British' places," Mr Temperton writes in his journal, *Northern Democrat*, from his headquarters at Hebdon Bridge, West Yorkshire.

"Is there really any reason why the motorist in Harrogate or Whitehaven should feel a sort of personal support for the car factories of Cowley, Longbridge, rather than the car factories of Harrogate and Whitehaven in the North and Cowley and Longbridge in the Midlands all happen to be inside the arbitrary and fictional entity known as Britain," but apart from the fact that they receive much the same television programme they have nothing special in common."

On the controversy over the third London airport, Mr Temperton says that the alleged need for such an airport "could be nullified if Manchester airport were allowed to extend its runway to the international standard of 11,000ft."

"So long as fare structure and the flight schedule are not so strongly against northern airports, London based governments will go on proposing huge sums of public expenditure on a third London airport."

Mr Peter Hargreave, aged 48, an engineer from Durham, claimed a European hang-gliding record yesterday of 68 1/2 miles in four hours, 10 minutes from Kettlewell, North Yorkshire, to St Bees Head, Cumbria.

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Whitehall brief: Aldermaston snag on staff and safety

Trident deterrent may be toothless

By Peter Hennessy

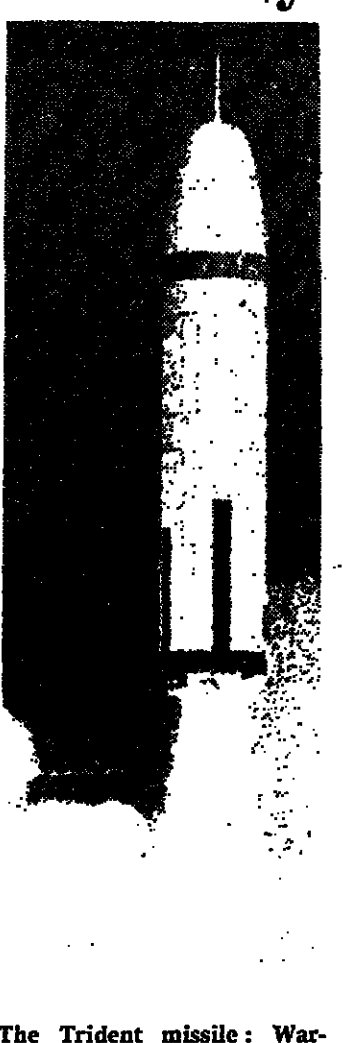
Only the timing needs of President Carter's reelection campaign are delaying the Prime Minister's announcement of a £4,000m-£5,000m spending programme over the next 12 years to replace the Royal Navy's Polaris Submarine Squadron with a fleet of boats fitted with Trident missiles purchased from the United States.

Mrs Margaret Thatcher's top secret nuclear deterrent Cabinet committee, Miss Greville, known from his Cabinet Office classification, has finished its work. Technical talks between the Ministry of Defence and the Pentagon are complete.

The Commons Select Committee on Defence is starting its investigation into the Polaris replacement in the next few weeks. All that is needed for work to begin is a Commons statement from the Prime Minister and the inevitable eruption from Labour's backbenches: or is it?

The Royal Navy's Trident missiles will carry British warheads which are to be manufactured at the Atomic Weapons Research Establishment at Aldermaston, Wiltshire. Mrs Thatcher may have President Carter's promise that the missiles will be forthcoming, and she also seems confident of finding the money, but will Aldermaston be able to play its part in providing the "front end", as the men on Whitehall's "holocaust desk" call it?

A confidential report prepared by a Ministry of Defence working party chaired by Mr Charles Horeau, under-secretary responsible for civilian special services, discloses that Aldermaston is 39 per cent short of the health physicists required to ensure the safety of its processes and plant. The establishment needs 44 health physicists but only 18 are in post. The report reflects gloomily on the failure of special civil service recruitment competition to find more than a handful of



The Trident missile: Warhead production is in jeopardy.

significant of all for Trident, future programmes will be jeopardized.

The shortage, it seems, is common to all defence installations needing health physicists at the end of last year, the ministry was 55 short of the 110 civilians it needs and six short of the 27 servicemen—but the difficulty is most acute at Aldermaston.

Pay is the general cause of the health physicist gap. Whitehall offers salaries of £3,000 to £4,000 less than qualified staff can earn in the private sector or on the nuclear side of the electricity generating industry. But a special Aldermaston factor makes staff general, and not just health physicists, unwilling to work there.

In 1978 Sir Edward Pochin, a leading radiologist, disclosed in a report prepared for the ministry that some buildings at Aldermaston contained concentrations of plutonium higher than prescribed safety levels. The ministry undertook immediately to put right the deficiency and the recruitment of more health and safety staff was critical to the solution.

Mr Henn's working party suggests, without much hope, a few remedies to make good the continuing shortage. Mr Kenneth Jones, a deputy chief scientific officer, has been appointed to lead a committee to recruit graduates direct from university for a two year health physics training course. The revival of a scheme for cadet health physicists is being discussed, as is the provision of a special course at the Royal Naval College, Greenwich.

One of the first tasks of Mr Douglas Miller, clerk to the Select Committee on Defence, and Dr Lawrence Freedman, its special adviser on the Polaris replacement, should be to secure a copy of the Henn report from the Ministry of Defence for their MPs. Trident missiles without Aldermaston warheads will deter no one.

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Paradise regained on the heavenly waters of Lough Erne

A member of the old

Stromont Parliament once achieved fame by pronouncing that a tourist visiting Northern Ireland was about as likely to be knocked down by a camel in Royal Avenue, Belfast, as to be injured in the troubles.

A competitor of the now world-famous Benson and Hedges Fishing Festival on the waters of Lough Erne was heard to mutter at the weekend that the most serious threat to its continued good health, and even to its reputation as a Metropolitan police sergeant, seemed to arise from the level of the hospitality in such spots as Kesh, Kellyville and Bellanaleck, where the behaviour patterns of fish tend to be of much more interest than those of politicians or terrorists.

"The Benson" as it is now known in the coarse fishing world, after five years of extraordinary catches and even more extraordinary stories, has been related in angling clubs back home in England, has also become a best seller for the Ulster tourist industry, which is making a steady recovery from the halving of its bus-

ness in the worst years of the troubles between 1969 and 1972.

Three hundred of Britain's leading "matchmen" are this week filtering their way back to the realities of English canal banks, from the Nirvana which exists on stretches of the Erne waterway, bearing names like Broadmeadow, Castle Island, Cornagrade, Cleenish and Carrigan.

Another four hundred wanted to come, but places had to be restricted to match the availability of hotel accommodation, and a ballot was organized this year.

To the eyes of this observer, the anglers obviously had much enjoyment themselves and brought much pleasure to people such as the staff of Aldergrove Airport and the crews of the Liverpool-Belfast ferries, who for some years have had to deal mainly with travellers who do not seem entirely bent upon enjoying themselves.

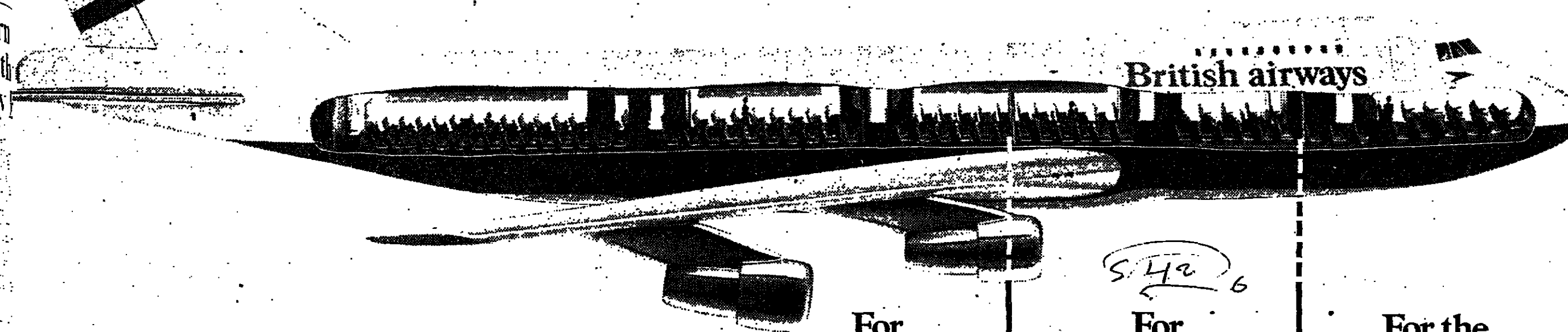
The crews of the Ulster Prince and the Ulster Queen obligingly made arrangements

for pillowcases full of high-bred maggots to be festooned over the bows of the ships to keep them cool, moist and happy during the hot night voyages.

Prize money this year was £11,940, but more money than that was changing hands in side betting, conducted in part by a professional bookmaker who has assessed the importance of the event.

The weather this year meant that the larks lived up to their Thomaz Cassidy description as "Erin's Paradise", but it did mean that water levels were low and that there was little movement of current. The breeze was also late arriving. Because of this there were no world records.

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Free drinks (excluding champagne)			✓	
Unlimited free bar service				✓
Finest vintage wines selected by connoisseurs				✓
In-flight film and music £1.50 extra	✓	✓		
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Reduced rates for children		✓	✓	✓
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Free eyeshades and slippers			✓	✓
Hot towels			✓	✓
Armchair comfort and luxury ambience				✓
Guaranteed seat		✓	✓	✓
Immediate booking facility			✓	✓
Advance booking facility		✓	✓	✓
Ability to change or cancel reservation			✓	✓

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WEST EUROPE

M Giscard's prestige hangs on results of Warsaw 'escapade'

From Charles Hargrove

President Giscard d'Estaing needs to return today from what most French commentators regard as his solitary and dangerous escapade to Warsaw, with something more concrete than the platitudes of his earlier visit to the city. Every year, some 300,000 people go there in pilgrimage.

The occasion hardly lends itself to diplomatic stocktaking, but the press will be in wait for the President and he may venture a few ad lib remarks on what went on in Warsaw.

Whatever the President's motives in going to Warsaw—and the question most frequently asked is what he could possibly expect to obtain from a meeting with Mr. Brezhnev after the purely negative contacts with Mr. Andrei Gromyko, the Soviet Foreign Minister, in Paris last month—there was a lack of the necessary psychological preparation and explanation which is sharply criticised by the French press.

"It would be good to inform us of the results," *Le Figaro* remarks today. "It is perhaps useful to speak to Mr. Brezhnev. It would be very necessary to explain to Frenchmen why this was so, and especially of what use it is."

While noting that there was perhaps a superficial similarity between Warsaw and Munich, *Le Monde* records this important difference, insisted upon by official French sources, that M. Giscard d'Estaing had no intention of "negotiating" with Mr. Brezhnev or of acquiescing in any Afghan fait accompli—or for that matter, of claiming to act as a spokesman for the European Community.

The gamble he has taken is probably the biggest in his six years of office. It required some courage. *Le Quotidien* writes that not only France, but the whole world will judge the results of this ambitious journey.

Herr Schmidt accused of devaluing US link

From Patricia Clough

Berlin, May 19
Goaded into belligerence by recent election disasters Herr Helmut Kohl, the Christian Democratic Party chairman, plunged into the Bundestag election campaign with a strong attack on the Government's attitude to the Atlantic alliance. He accused Herr Helmut Schmidt, the Chancellor, and his Social Democratic Party of "devaluing our solidarity with the United States by petty-lies and butts."

"Our country must once again walk determinedly side by side with the United States," he told the annual party congress here.

There was no third way, no case which German Chancellor could play without damaging the country's vital interests, he said.

Herr Kohl accused the Chancellor of "casting doubt on Germany's central position in the alliance" by his proposals that both sides should refrain from stationing further medium range nuclear missiles in Europe pending negotiations on reducing their numbers.

The Chancellor was pandering to a "Moscow faction of left-wingers among the Social Democrats," he said, had greater sympathy for the Soviet Union than the United States and were seeking a "third way" between East and West.

A quiet anti-Americanism is spreading in the ranks of the SPD," he said.

Herr Kohl seized with relish on the recent anti-militarist riots in the Soviet Democratic stronghold of Bremen. "See how the dignity of our country is rotting away in the hands of the Socialists."

Herr Kohl was attempting to rally his dispirited party after a series of *land* election defeats which had deepened their fears that with Herr Franz Josef Strauss as their Chancellor, they were sure to lose the October elections.

Since the latest and worst setback in North Rhine-Westphalia last week, the Christian Democratic leaders have been calling for a tougher fight against the SPD which they accuse of demagoguery and scaremongering, and of libelling Herr Strauss.

Herr Kohl reiterated party support for Herr Strauss, and said that with him at its head, the election could be won. But as yet the congress did not appear convinced. The mention of Herr Strauss brought at the most polite applause, sometimes none at all.

Herr Strauss, who is the leader of the Christian Democrats' Bavarian sister party, the Christian-Social Union, will address the congress tomorrow.

Terrorists murder politician in Naples

From Peter Nichols

Rome, May 19
Police captured four terrorists, three men and a woman, after the murder of a Christian Democratic regional administrator, in Naples today. They claimed to be members of the Red Brigades and are the first to be arrested while apparently engaged in political murder.

The dead man was Signor Giuseppe Amato, aged 50. He leaves a wife and children. He belonged to the party led by Signor Giulio Andreotti, the former Prime Minister, who is regarded as open to arrangements with the Communists.

One of the terrorists was wounded by the victim's driver. The others appear to have been prevented from fleeing partly by the Naples traffic and, more probably, by a breakdown. They were in a white car said to belong to the public prosecutor of Potenza, who happened to be in Naples and who had abandoned his car with the ignition keys in place as soon as he got out.

Police stopped the car in the Santa Lucia area. The three hand grenades they threw at the police failed to explode and they then opened fire with pistols and automatic weapons.

The Communist Mayor of Naples, Signor Maurizio Valenzi, said after the shooting that he had known Signor Amato for many years and recognised his correct behaviour and his political opinions.

The mayor saw the chase as he drove to his office. It is the second murder of a leading Christian Democrat this year. In January Signor Piersanti Mattarella, who was said to be about to bring the Communists into the Sicilian administration, was killed.

Signor Mattarella, too, belonged to Signor Andreotti's group. On the telephone today, Signor Andreotti said he was shocked by the killing because of his flexible approach towards the Communists. "He was," Signor Andreotti said, "one of the 20 persons on the party's national council drawn from my list. He lived an unexceptional life and the killing would most likely have been for political rather than personal motives. This can, however, only remain a suspicion until there is proper judicial proof about the motive."

He recalled that the chain of political murders began a little more than two years ago with the kidnapping by the Red Brigades of Signor Aldo Moro, the Christian Democratic leader, who was in favour of an accommodation with the Communists and was seized by the terrorists on the day of the vote of confidence in Signor Andreotti's Government, which for the first time had the official parliamentary backing of the Communists.

The murder of Signor Amato comes less than three weeks before important regional and local government elections which include Naples. Signor Amato was also known to be against allowing persons suspected of connections with the Mafia to take part in Christian Democratic affairs.

French hold Petain in high esteem

From Ian Murray

Paris, May 19
A big majority of French people today believe that Marshal Petain acted with the best of motives in signing an armistice with Nazi Germany in 1940 and consider that France and the French, there as in the past, should be commended for what he did.

These are among the findings of a poll conducted among 1,000 people for the fortieth anniversary of the Battle of France, which ended in the French surrender.

Although 83 per cent of those questioned thought that the French Army had fought courageously during the battle, 71 per cent believed he had tactics of the generals (31 per cent) and the lack of preparation by the Government (56 per cent). Signing the armistice was approved by 53 per cent compared with only 26 per cent who thought he was a traitor and should have gone into exile.

The overall memory of Marshal Petain seems to be a good one. Only 8 per cent considered him a traitor and a further 7 per cent thought he was an ambitious power-seeker. Most (59 per cent) believed him a sincere man who had been overruled by events, while 7 per cent believed he was a hero who sacrificed for France and who was unjustly condemned.

The timing of official visits to other EEC capitals will now depend on Dr Sá Carneiro's recovery.

as the proposal, now being studied in Brussels, of pre-accession aid from the Community, worth about £200m, to help to prepare the country for membership.

Senior Do Amaral made the point yesterday that Portugal had a vital interest in textile exports to the Community countries, and was not prepared to accept any quotas on its trade.

He was also said to have worked out, he said, within the rules of the Rome Treaty, to satisfy all parties concerned.

The timing of official visits to other EEC capitals will now depend on Dr Sá Carneiro's recovery.

OVERSEAS

Moscow feared to have its eyes on Saudis' 9,500,000 barrels of oil a day

Saudi Arabia convinced Soviet strategy is to seize Gulf

In the second of a five-part series on Saudi Arabia, Timothy Siskel examines foreign relations.

Saudi Arabia feels itself acutely under pressure from abroad. The Soviet incursion into Afghanistan, in Saudi eyes, was directly aimed at the Gulf. Iran continues to be a source of regional instability; the Palestine question is still unresolved; and the United States is not, despite the promise of a more stern attitude towards the Soviet Union, utterly reliable as a friend.

At the same time, the Kingdom's influence within its alliances in the Organization of Petroleum Exporting Countries, the Arab world and Islamic states, has been put to the test and found less impressive than everyone once thought. Border squabbles with North Yemen earlier this year and a radical shift in Saudi Arabia have been troubling, and after recent government changes, Aden is as antagonistic as ever.

Saudi Arabia took the Afghanistan invasion far more seriously than the West. It was partly a question of principle: the defence of a Muslim people against atheism, but more the conviction that the Russians were carrying out a grand strategy to capture the Gulf. Saudi officials have for some time given warnings about

Russian intentions as the Soviet Union's declining oil production forces it to become an importer over the next few years.

Their view is more subtle, though. There is no doubt in the Kingdom that communism is essentially imperialistic and the covertous Russian eyes on the Gulf are less a result of domestic needs than of the use Saudi Arabia's 9.5 million barrels of crude a day could be put to in advancing Soviet power.

Gulf oil, they reason, costs almost nothing to produce, but it sells for a lot. The price of oil and Saudi Arabia's oil exports are essential to their own role in the situation—has ruined many Third World development plans and depressed living standards in countries, like Pakistan, that have depended on their foreign exchange earnings on petroleum imports.

If the Russians can offer those states their oil, not at \$28 a barrel but at \$10, the Third World will be ruined.

The Saudi reaction to the invasion was accordingly uncompromising. The Kingdom was the first country to announce a boycott of the Moscow Olympics, and Prince Saud al-

Faisal, the Minister of Foreign Affairs, played a leading role in securing condemnation of the incursion at the Islamabad meeting of Muslim states in January. Saudi Arabia agreed to act as the conduit for quiet Russian aid to Pakistan.

It was an unusually firm response from a country that has preferred compromise and reconciliation for calming crises, but it was in character with the Kingdom's firmly pro-Western stand and its increasing sense of isolation: part of which sense of isolation, incidentally, led to the Saudi fury over the ATV film, *Death of a Princess*, for it seemed as though Britain, as well, was abandoning the Kingdom.

The sense of being hard done by is understandable. Few attributes to the Kingdom any but honourable motives in its modest pricing and high production of petroleum: a desire to help a West that provides stability and protection largely owing to Crown Prince Fahd.

Equally, few attribute any but sincerity to the Saudi desire to regain Jerusalem for Islam. It is over Camp David and American unwillingness to appreciate the probably equally sincere arguments from Saudi Arabia that a partial peace is no peace at all; that a dangerous gap has widened between

the two allies over the past two years.

The Kingdom has been gratified by Washington's promises of military help in an emergency, by its response to Afghanistan, and by private assurances that a re-elected President Carter will bring Israel to heel. But mistrust persists. Certainly the present Administration will continue to be regarded coolly, and Saudi Arabia will be less willing than in the past to act as an American surrogate.

Iran remains a worry. Official declarations refer to Imam Khomeini and impossibly rejoice in having another strong-hold of Islam across the water, but there are no channels of contact between the two countries. Ordinary Saudis, ignorant of Shiism consider the more bloodthirsty activities of the Iranian revolution repellent; the state fears subversion.

It has not been forgotten that during the Mecca incident Ayatollah Khomeini urged Saudi oilfield workers to leave: 7,000 of Aramco's 19,000 workers are Shia. A radio station calling itself "The Voice of the Islamic Revolution in Saudi Arabia" broadcasts from Qom.

Nor are there significant channels of contact with President Sadat. The dismissal a year ago of Royal Adviser of Shaikh Kamal Adham, King Fahd's

head of intelligence, is one of the most effective means of the Kingdom's policy. With Egypt, as Iran, Saudi Arabia is trying to antagonise nobody in the Arab world.

To add to its trouble Islamic world is falling low the Kingdom. At bad in January a deal was agreed upon, but more. That must be in measure owing to the dom's aid policy. While true that Saudi Arabia is a generous, disproportionate amounts of assistance to a small range of Arab and states, and in almost all its promises than with it.

Added to the difficult poorer states are in sure of their oil supply sentiment builds up. It could be said that Arabia is now suffering lack of aggression in its policy. It has been too gentle with the United States, the impression that it kicked around, and too to allow other things to Pakistan, for example, I ceived no assistance the Kingdom since Gene u-Haq came to power under Mr Bhutto, despo General's image of misactivity. A lost opportu Next: Social devel

Iran threat to help Afghan fight

From Richard Wigg

Islamabad, May 19
Iran would give material assistance to the Afghan freedom fighters in liberating their country if Soviet troops continued to occupy the country, said Sadat Qotbzadeh, the Iranian Foreign Minister, said in Islamabad today.

He told a press conference, however, that Iran was seeking first to negotiate the removal of obstacles to Afghanistan's reverting to a sovereign and non-aligned Muslim nation.

Yesterday, by a slight of hand, he included eight Afghan émigré leaders from groups fighting the regime in Kabul as members of the Islamic foreign ministers' conference held here, enabling them to attend debates.

At the press conference today Mr Qotbzadeh challenged Syrian and Libyan claims to support the Islamic Afghan insurgents. It was the least Iran could have done for its Afghan brothers he said.

Those countries which did not approve should not join the committee of foreign ministers, likely to emerge at the end of the conference to seek a political solution of the Afghanist problem.

The Islamic foreign ministers are likely to end their conference on Wednesday with a demand that the United Nations Security Council should meet immediately to agree to impose sanctions on Israel over the decision by the Knesset formally to make Jerusalem, including the Old City, the country's permanent capital.

All the Islamic nations would also sever "all kind of relations" with any country supporting or recognising the Israeli decision.

This scheme for a "boycott of the friends of Israel", as Mr Qotbzadeh described it, emerged from today's meeting of the political committee of the conference, which opened on Saturday.

It is being increasingly argued at the conference that the problems of the Soviet invasion of Afghanistan and the United States-Iranian confrontation are linked with the Palestinian problem and the Middle East.

The political committee drawn from the 40 Muslim nations members of the conference, recommended a resolution which declared the Israeli Parliament to be illegitimate and forewarned sanctions against Israel being invoked under Chapter 7 of the United Nations Charter.

The boycott by all Muslim nations would face any country which agreed to transfer its embassy from Tel Aviv to Jerusalem or which recognized in any way the Israeli decision to have "a holy city of Islam" annexed as the capital of the "Zionist enemy."

Approval by the foreign ministers appears a formality. The Islamic conference was originally formed a decade ago as an instrument for the Muslim world to resist Israel over Palestine and Jerusalem.

It was ready, expected to seek some kind of punitive action against Israel on hearing the report of its Jerusalem committee, set up last year under King Hasan of Morocco on the aggressive loss of the Arab character of Jerusalem at Israel's hands.

Nine move towards independent line on Middle East peace

From Michael Hornsby

Berlin, May 19
The EEC is moving cautiously towards a new position on the Middle East which could mark the most striking collective attempt so far by the Nine to chart an independent course in world politics.

The latest signs emerged at the meeting of EEC foreign ministers over the weekend in the eighteenth century elegance of the Villa Rosebery overlooking the Bay of Naples. (The villa was once the residence of Lord Rosebery, Gladstone's Foreign Secretary in the 1890s).

The EEC is worried that the failure of the Camp David negotiations to make any progress on the crucial Palestinian issue could lead to a breakdown of Lord Carrington, the Foreign Secretary, towards a Middle East settlement.

That in turn it is feared, could create a dangerous climate in the Jewish vote in the coming year, is considered in Europe to be effectively barred from taking any new initiative along these lines, even if he wanted to. The EEC is free of this restraint and also more dependent than the United

States on Arab oil supplies. Intense diplomatic activity is being mounted by the Nine to persuade Washington that they have no desire to cut across, thwart or otherwise undermine American policy in the Middle East, but so far apparently with little success.

During his talks with EEC foreign ministers in Brussels and Vienna last week, Mr Edmund Muskie, the new American Secretary of State, made it clear that America would not welcome a new Middle East initiative by the EEC at this juncture.

The Nine are therefore tread ing warily, but they do not feel the situation can be allowed to drift until after the American election in the hope that a re-elected Mr Carter or another President might feel less in thrall to the Jewish lobby.

This all points to some new move by the Nine at their next summit meeting in Venice on June 12 and 13. This could lead to a new set of difficulties with Washington that the better publicized disputes over Iranian sanctions and how to respond to Soviet aggression in Afghanistan, about which there is a large measure of underlying agreement.

KGB defector tells of disquiet in Russia at possible US reaction to Afghanistan

Continued from page 1

show the world—above all Washington—that they could get away with it. He and his colleagues in Geneva see the invasion and occupation of Afghanistan as "proof of the contempt of the Soviet leadership for the United States President and world opinion."

The Politburo—including President Brezhnev, who played an "important but not decisive role"—wanted to test Western reaction to see how far they could go before the West took firm action in response, up to and including military action.

For this reason many Soviet officials of his age and rank were privately relieved when President Carter called for a boycott of the Olympic Games as a reprisal, since it might force the Soviet leadership to reconsider and revert to a "stable rather than emotional policy."

The breakdown of détente, they believed, was Russia's fault rather than America's. The Soviet leadership, he argued, had hoped for a steady improvement in Soviet life through contact with the West.

The Kremlin had out of "self-regard" and over-confidence underestimated at a stroke the carefully-erected structure of stability between the United States and the Soviet Union, all for a purpose which brought "no conceivable gain whatever" to the Soviet Union politically, economically or in any other way.

This is an especially bitter prospect for what Mr Dzhrizkoyev calls "the Soviet people, whose economic plight Mr Dzhrizkoyev describes as 'catastrophic'."

The Soviet man in the street, he says, regards the holding of the Olympic Games in Moscow as a grim joke in circumstances where even the most elementary foodstuffs are "dim memories."

Even in the 1960s, he claims, many privately opposed the idea of sitting the Olympic Games in Moscow and economic conditions were "better than they are now."

Most Russians are, he says, heaped in the dust outside a row of broken down huts—all without windows and some with roofs—on a remote corner of the deserted Ein Sultan camp. The family has started a hunger strike and appealed through intermediaries to the Pope and the Red Cross for assistance.

The main road is about 25 minutes' walk from the Shumalis' hut and at night the camp is dark and completely silent apart from the howling of the scavenging dogs. Mr Yacob Shumali, aged 60, his wife and daughters aged 20 and 24, have put their beds in the camp at night, they try to sleep, each armed with a rifle and staves to fend off the wild animals.

apprehensive fearing that with the mammoth diversion of scarce resources to foreign tourists and sportsmen there will be even less in the shops for Soviet consumers when the games are over and the visitors have all gone home.

The KGB, according to Mr Dzhrizkoyev, is also apprehensive about the influx of visitors for security reasons. It would be says he unrealistic "to expect the security organs to keep an eye on all foreigners individually during the games."

Those who are allowed in, Mr Dzhrizkoyev reveals, will be strictly confined to certain pre-arranged routes, and those who stray to right or left will not get far. "Specially formed vigilante squads (*druzhinki*) will keep the KGB to keep contact between the Russian and foreign tourists to a minimum."

"Soviet citizens," he notes with a smile, "have dealings with foreigners for only two reasons: either out of sheer necessity, or out of sheer foolishness."

In Mr Dzhrizkoyev's view, the Soviet Government has always sought to avoid contact with Russians and the West, even during a period of détente, and his conduct at the Olympic Games is no exception.

Mr Dzhrizkoyev expects to be called a "traitor and slanderer" for saying so; but he is convinced many in Russia share his view that the Kremlin is so isolated from its own people, and receives so distorted a view of the outside world from its agents abroad, that it believes it can survive both the disapproval of world opinion and a deteriorating economic situation at home.

Times Newspapers Ltd, 1980

Miami death toll of 15 in race riot

From Michael Leaman

New York, May 19
Despite a curfew the more rioting, looting, and burning in Miami, where two days of racial disturbances have left 15 dead and scores injured.

Started by the acquittal of a black cyclist to death, the riot widened into an expression of anger by the white police—what they see as a social discrimination against them in southern Florida.

There was no doubt a primary motive for the rioting, which quickly turned ugly and violent. The chanting "McDuffie, Mc!" the name of the motorist killed in the riot, was police—as they surged the streets overturning breaking shop window looting.

Black leaders explaining riots by talking of racial balance in the judiciary. Mrs. Nina Brown, of the National Association for the Advancement of Coloured People, which is to hold its convention in Miami next month.

"This summer is getting flagrant," she said. "long hot summers" late 1960s, when race broke out in several cities. Officials in Miami that this weekend's riot not a precursor of what was to come.

The McDuffie case policemen were acquitted after prosecution was given evidence that he had beaten McDuffie and fled the record so that it seem he died in a traffic accident. A doctor said that fatal injuries were among McDuffie's wounds.

Yet the six-man jury in Tampa (where the case had been moved at the defence argument that policemen had used on amount of force necessary to subdue McDuffie).

The incident apparently unpunished by police against blacks helped fuel the anger and black community.

Last year a black teacher and his son said were beaten by policemen for drugs, who had to go to a hospital. An investigation, no charges brought and the teacher, taking civil action again city.

In October an unarmed man was shot dead by a police officer who was on duty. He was a white man, though his family said he was there to urinate. A jury declined to bring charges against the police.

The influx of refugees from Cuba, and more recently, from Haiti, has also helped destabilise Miami's ghettoes. Blacks resent that the Cubans, who are white, are admitted first to the United States and favoured competitors for unskilled jobs.

Meanwhile the Haitians are black and not given permits and become a threat to the black community.

This long list of police brutality helps to explain the violence of the weekend riots. One of the victims told to have had an ear his tongue cut out.

The disturbances have place mainly in the residential areas of the city. There has been no trouble at Miami Beach, the resort area of the city.

More than 5,000 British holidaymakers taking package tours Florida this year are warned by tour operators precautions they need to take to avoid trouble. One of the victims told to have had an ear his tongue cut out.

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Britain backs Lisbon's EEC entry plan

By David Spanier

Diplomatic Correspondent

Britain's support yesterday for the Portuguese Government's programme to proceed "as fast as possible" with negotiations for entry into the EEC.

The Portuguese Prime Minister, had to cancel his talks in London yesterday after being injured in a road accident on the way from the airport on Sunday. He was visited by Mrs Margaret Thatcher before flying home to Lisbon. The British Ambassador, Lord Moran, was treated in hospital.

Despite this unfortunate start to the visit, yesterday's talks were ahead, led by Senhor Do Amaral, the Portuguese Foreign Minister.

Describing his discussions as "very positive and very encouraging," Senhor Do Amaral said Mrs Thatcher and Lord Carrington, the Foreign Secretary, had expressed the hope that the Portuguese accession treaty could be signed by July 1, 1981, during the British presidency of the Community.

Problems of Portuguese entry were, reviewed in yesterday's talks, notably agriculture and financial arrangements, as well

as the proposal, now being studied in Brussels, of pre-accession aid from the Community, worth about £200m, to help to prepare the country for membership.

Senior Do Amaral made the point yesterday that Portugal had a vital interest in textile exports to the Community countries, and was not prepared to accept any quotas on its trade.

He was also said to have worked out, he said, within the rules of the Rome Treaty, to satisfy all parties concerned.

The timing of official visits to other EEC capitals will now depend on Dr Sá Carneiro's recovery.

Outcry expected over measures against Arabs

Continued from page 1

Among the 700,000 West Bank Palestinians.

In every part of the world, a family is responsible for the behaviour of its children, and there is no exception here," explained Mr Shai Cohen, a spokesman for the Jewish Agency. "These families are being used as a warning symbol to show everybody in the area that we mean what we say."

Lawyers and relief workers claim that the cases have inaugurated a disturbing new era in Arab-Jewish relations. In diplomatic circles, the harsh application of the banishment policy has alarmed the Arab community, and it will soon provoke a fresh international outcry.

The ordeal of the Shumalis, a Roman Catholic Arab family from the outskirts of Bethlehem, began last Thursday night, aged 17, had been accused of throwing a stone at an Israeli vehicle. He is now in hospital after being operated on for serious internal injuries which his family claims were caused during interrogation.

After imposing a local curfew, Israeli soldiers searched the family's belongings to a lorry and sealed the metal door of their home with welding equipment. Before removing Mrs Georgette Shumali they told her that she would never return and informed neighbours the family was being taken away for good. Today the belongings were still

heaped in the dust outside a row of broken down huts—all without windows and some with roofs—on a remote corner of the deserted Ein Sultan camp. The family has started a hunger strike and appealed through intermediaries to the Pope and the Red Cross for assistance.

The main road is about 25 minutes' walk from the Shumalis' hut and at night the camp is dark and completely silent apart from the howling of the scavenging dogs. Mr Yacob Shumali, aged 60, his wife and daughters aged 20 and 24, have put their beds in the camp at night, they try to sleep, each armed with a rifle and staves to fend off the wild animals.

"This is a barbaric punishment which no one could imagine in the twentieth century," Mr Shumali told me. "What if my son did throw the stone—why should the penalty be imposed on his sisters, and the rest of the family? They have left us in this forsaken place in the hope it will deter others, but I am afraid that if nothing is done soon, we will be next."

The Jews where the family were deposited by the Israelis could not be classified as fit for human habitation: the stone floors are filthy, there are no lavatory or washing facilities, and the air is thick with the stench of rotting excrement, flies and mosquitoes.

As the Miami Beach riot-affected inner city, holidaymakers are not being directly advised, they are advised to avoid riot areas, especially if they carry cash.

So far there is no significant cancellations of holidays or travel from Britain to Miami.

OVERSEAS

Confusion abounds over real aims as Quebec votes today to determine relations with Ottawa

From Patrick Brogan
Montreal, May 19

Mr René Lévesque, the Premier of Quebec, and Mr Claude Ryan, the leader of the Opposition, made their last appeals to the electorate today. Quebec voters tomorrow in a referendum on its future relationship with Canada.

Mr Lévesque called for a "Res" vote to proclaim that Canada consists of two equal nations, and Mr Ryan, called for a "No" vote to reaffirm the notion of Canadian federalism.

Mr Lévesque is not advocating separation, for the moment, and Mr Ryan is not preaching a perpetuation of the status quo. They both want negotiations with Ottawa and the other provinces for a new constitution.

The confusion over what Mr Lévesque wants to obtain from the negotiations, and over the promise of Mr Pierre Trudeau, the Prime Minister of Canada, of a new constitution if Quebec votes "No" tomorrow, is as great as ever. The opinion polls suggest that the vote will be very close.

Last week's opinion poll, taken 11 days ago, showed the proposal being rejected in a clear victory for the federalists. One published yesterday, taken early last week, shows the proposal being accepted with victory for the Parti Québécois.

About a third of the popula-

tion know what they want: independence for a Quebec republic and the break up of Canada. That makes about 40 per cent of the French-speaking population. Eighteen per cent of Québecois who speak English or some other language want to preserve the status quo.

The referendum, however, is not about independence, even though those who campaign for the "No" exert every effort to persuade the electorate that behind Mr Lévesque's bland question on "sovereignty association" lurks the threat of separation.

The question is this: "The Government of Quebec has made public its proposal to negotiate a new agreement with the rest of Canada, based on the equality of nations."

"This agreement would enable Quebec to acquire the exclusive power to make its laws, levy its taxes and establish relations abroad—other words, sovereignty—and at the same time to maintain with Canada an economic association including a common currency."

"No change in political status resulting from these negotiations will be effected without the approval of the people through another referendum: on these terms, do you give the Government of Quebec the mandate to negotiate the pro-

posed agreement between Quebec and Canada? Yes, No."

It looks perfectly straightforward. Quebec wants what used to be called dominion status, or the status won by Ireland in 1922, quasi-independence that can develop into full independence later. But what sort of economic association does Mr Lévesque mean? And what if the rest of Canada refuses to negotiate with Quebec the rights to make its laws, levy its taxes and establish its relations abroad?

Mr Trudeau says that his government would not negotiate on the terms proposed by Quebec. It is, however, difficult to imagine them refusing to hold talks with a victorious Mr Lévesque.

If the "Noes" win, Mr Trudeau has said that negotiations for a new federal constitution should begin immediately. Since Mr Lévesque will be the principal negotiator for Quebec either way, and is not going to propose anything less than sovereignty association when the talks begin, win or lose, on Tuesday, negotiations are going to be difficult and perhaps the whole referendum exercise is a waste of time. The real crisis will come when Mr Lévesque and Mr Trudeau fail to agree on a new constitution.

Traditional cry, page 18

Mr Ohira lashes out at his party rivals

From Our Own Correspondent
Tokyo, May 19

The political crisis in Japan would not deter the Government from imposing sanctions against Iran, the caretaker Prime Minister Ohira said today.

Attempting to assuage the fears of his American and European allies as the Japanese Parliament was dissolved, Mr Ohira indicated that Japan, Iran's largest trading partner, will join the EEC and impose sanctions against Tehran.

"Japan's fundamental policy is to cooperate with the United States and Europe and settle the issue in Iran by peaceful means. We have ordered concrete measures to implement our fundamental policy," he told journalists today.

Mr Ohira went on to attack his rivals within the ruling Liberal Democratic Party. Mr Takeo Fukuda and Mr Takeo Miki, two former Prime Ministers who toppled the Government on Friday when they and 68 conservatives abstained from voting on a motion of no confidence in the Diet.

The Prime Minister threatened to take disciplinary action against the rebels within the party and went on to suggest such personal pride in work has gone in large companies. "I always think we underestimate national characteristics. The British are individual, eccentric and ought to work in small groups, very close knit. That's why the young want to go off on their own."

"Somebody to maintain standards, um?" she queries, head on one side. "I love my staff, they're simply marvellous. I love explaining to them just how things should be done, and I love their response. Such personal pride in work has gone in large companies. . . I always think we underestimate national characteristics. The British are individual, eccentric and ought to work in small groups, very close knit. That's why the young want to go off on their own."

Not is she keen on the word designer, now so ineluctably linked to clothes. "I never wanted specifically to design dresses. I just wanted to do whatever I could do best as I could possibly do it. What I worked at Liberty I found that I could draw so I began to draw. With none of the formal training now so accepted (John Bates was not trained either) Miss Muir moved on to Jaeger and the patronage of Anne Terrill. In this way she matches Courreges, who was a civil engineer, Givenchy, who studied art and law, or Digby Morton, founder designer of Lachasse, who wanted to be an architect, to name but a few who have come to dress by an unexpected route."

For six and a half years she laboured, unnamed and unknown, storing up priceless experience in cutting, fitting, costing and in what the customer wants and what actually sells. They were, she says, happy years but eventually she responded to the lures of a gentleman at Exquisite Knitwear, at that time a part of Susan Small, and joined the group with her own company.

It was called Jane and Jane, a totally invented name. "We didn't use the word 'designer' and we didn't use the one's own name. It was an era of invented labels."

Then Courreges bought the Susan Small group (ironically, it has just bought itself back, but more of that another day) and Jean founded her own house in 1966. She and her husband, Harry Leuckert, who was still acting, borrowed some money—"in retrospect we probably started with too little"—and began the great climbing of the fashion peaks.

She was already not without admirers. Martin Moss, then busy catapulting British retailing into the next decade with the 21 shop at Woodlands in Knightsbridge, had seen her Jane and Jane clothes and remarked, "a millionaire's daughter should wear them." Thus was born couture bistro.

Now for the benefit of those few of my readers who do not know Russian, bistro means quick. The French, ever avid to appropriate something neat from somebody else, seized on the word after the visit of Czar Alexander to Paris.

There's nothing like topping up a classy story with something practical. Not only is there a lovely new range of Boots No 7 cosmetics, but you can also get from Boots for £1.75 a neat floral washbag if you buy anything from their Original Formula range.

Perfumes are all around us. Goya, now part of ICI, has retained the services of Chris Collins, international horserider and the son of a famous "nose" Douglas Collins, who made Goya the first house to use high quality ingredients in a modestly priced bottle of scent. The secret? The bottle was tiny, but it introduced a whole generation to the idea of French perfume that rocks the moon.

Goya's latest offering is also based on the subtle, French idea rather than the present American wham-bang. It's called Futura by Goya and Mr Collins says it has a metallic fragrance—though I'm assured that does not mean it contains iron filings. I shall as usual try it on the man in the street and let you know.

By the way, the exhibition you go to Edinburgh, Bath, Birmingham, Belfast and possibly America. No, London. We know how to put fashion its place here—that is nowhere, because the proper locations are filled with the equipment or more boring pos.

If you cannot get to the exhibit just look in your own wardrobe. Covered buttocks? No soft jersey length dresses, not neat yokes, not blue crepe, no spectral top stitch detail no prim cuffs, no bloused sleeves, no black dress?

For the proof of a designer is in wearing and the truth is that Jean Muir, evolutionary, not revolutionary (that makes her so hard to write about) haven't we seen that sleeve before? Quite, but how to explain it? Must be every thinking woman's wardrobe when in the undiluted from Berkeley Square the maimed vernacular of the High St. It doesn't matter, so long as the word hand is recognized.

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Fashion

by
Prudence Glynn



Miss Jean Muir, RDI/FRSA. A drawing especially commissioned by The Times to celebrate an

exhibition of her work at Lotherton Hall, Leeds. The artist is David Remfry,

who will have three pictures in the coming Royal Academy Summer Exhibition.

Disconcertingly the world's greatest dressmaker

■ Jean Muir always makes me nervous. As the genteel applause fades after the presentation of her latest collection to an edited audience in her own Berkeley Square salon the 10 foot high, moulded doors to the workshop open a crack. Out pops a face. It is painted dead white and seems to consist only of eyes and mouth, the latter liberally and somewhat erratically lipstick in crimson.

Both features suggest a high nervous anxiety and the fact that they manifest themselves approximately 12 inches lower than the last of the model girls who have been proceeding in and out as smoothly and silently as though oiled by Duckhams adds a dimension of chirality to the waves of admiration. So pale. Is she Alright?

If the coast seems clear, the face is succeeded by the indeed birdlike form of Miss Muir, and this makes me nervous too. A nightgown among kites, she is mobbed by people wanting to know her news, views, for all I know what she had for breakfast. If somebody slams a door or opens a window suddenly, you fear that she will be blown out, black stockings and granny shoes and all. She reads to say "You know?" a lot, which makes you feel that you probably do not know, and "Um?" which seems to call for some opinionated response.

But most of all she makes me nervous because I greatly doubt that many in this country recognize in Jean Muir the greatest dressmaker in the world; and I greatly doubt my ability to write down why.

All but the last two fears are groundless. She may look pale, but so does granite. She may look slim, but so does a steel beam. No gust of wind is going to blow her off course because she is going that minute to supervise the next deliveries, to lecture, to teach, to take her part in the great, boring, crucial business of keeping the British textile industry viable, known in the trade as On Which We Serve.

In any case Miss Muir dislikes chivalry. Confronted by a well-intentioned American store chief who spent five days introducing her as "diminutive and demure" and, much worse, by a personalized table setting of ruffled yellow organdie and neo-Georgian silver teapot, Miss Muir exclaimed, "I'm not English, I'm a Scot, and I only drink whisky."

On comeliness she is formidable, listening in growing twitches to the swaying, elephantine tactics of the professional window-dressers and then letting fly an impassioned and deadly accurate rifle bullet. As a teacher she has devoted many hours of precious time to the education of design students; her greatest contribution probably being at Liverpool Polytechnic. But then to teach, to share her own enthusiasm and her own hard-gained knowledge is an intrinsic part of the Muir makeup.

Like myself, she fears that the elaborate state system is biased towards the unreal in terms of employment. Everyone feels they have the inalienable right to be a chief, while in real terms the majority should be taught the lifelong job satisfaction and job security of being an essential Indian in a business which is always going to require the highest skills of hand and eye.

Bill Gibb does not cut his own patterns, nor grade them, nor work out how the lie should go for maximum use of fabric;

nor does Miss Muir. Both have other things to do in creating new lines, and it is the fault of society that this creative process has come to be viewed in our system as easily superior.

Jean Muir has always taken students into her workshops during the holidays and always employed them when they finish. She is an exigent taskmistress. Perfection is her aim.

"Somebody to maintain standards, um?" she queries, head on one side. "I love my staff, they're simply marvellous. I love explaining to them just how things should be done, and I love their response. Such personal pride in work has gone in large companies. . . I always think we underestimate national characteristics. The British are individual, eccentric and ought to work in small groups, very close knit. That's why the young want to go off on their own."

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For six and a half years she laboured, unnamed and unknown, storing up priceless experience in cutting, fitting, costing and in what the customer wants and what actually sells. They were, she says, happy years but eventually she responded to the lures of a gentleman at Exquisite Knitwear, at that time a part of Susan Small, and joined the group with her own company.

It was called Jane and Jane, a totally invented name. "We didn't use the word 'designer' and we didn't use the one's own name. It was an era of invented labels."

Then Courreges bought the Susan Small group (ironically, it has just bought itself back, but more of that another day) and Jean founded her own house in 1966. She and her husband, Harry Leuckert, who was still acting, borrowed some money—"in retrospect we probably started with too little"—and began the great climbing of the fashion peaks.

She was already not without admirers. Martin Moss, then busy catapulting British retailing into the next decade with the 21 shop at Woodlands in Knightsbridge, had seen her Jane and Jane clothes and remarked, "a millionaire's daughter should wear them." Thus was born couture bistro.

Now for the benefit of those few of my readers who do not know Russian, bistro means quick. The French, ever avid to appropriate something neat from somebody else, seized on the word after the visit of Czar Alexander to Paris.

There's nothing like topping up a classy story with something practical. Not only is there a lovely new range of Boots No 7 cosmetics, but you can also get from Boots for £1.75 a neat floral washbag if you buy anything from their Original Formula range.

Perfumes are all around us. Goya, now part of ICI, has retained the services of Chris Collins, international horserider and the son of a famous "nose" Douglas Collins, who made Goya the first house to use high quality ingredients in a modestly priced bottle of scent. The secret? The bottle was tiny, but it introduced a whole generation to the idea of French perfume that rocks the moon.

Goya's latest offering is also based on the subtle, French idea rather than the present American wham-bang. It's called Futura by Goya and Mr Collins says it has a metallic fragrance—though I'm assured that does not mean it contains iron filings. I shall as usual try it on the man in the street and let you know.

Gandhi MP quits for second time

From Kuldip Nayar
Delhi, May 19

Mr. H. N. Bahuguna, until recently secretary-general of Mrs. Indira Gandhi's ruling Congress (I) Party, resigned today from the party and from Parliament to protest against the erosion of the democratic norms in the party.

In an open letter to members of the party, he said his "shattering experience" as secretary-general was that "what bound human beings in our party was any sense of comradeship, trust, confidence and a sense of working together for some common cause, but a highly subjective and indefinable test of personal loyalty."

In such a stifling atmosphere, there was no room for discussion or for calm exchange of views, for camaraderie and a sense of participation."

He also complained about the total absence of discussion and debate in the party on social, political and economic national issues which, he said, had resulted in a systematic demoralization and destruction of party democracy and other values.

Mr Bahuguna left Mrs Gandhi before the 1977 election because of her authoritarian rule during the emergency. He was Minister for Petroleum in the Janata Government. He rejoined Mrs Gandhi before the 1980 elections, saying that the country needed a stable government under her leadership.

Ex-President heads for poll victory in Peru

Lima, May 19.—Señor Fernando Belaunde Terry, Peru's last constitutional President, headed today towards a victory in the country's first elections in 17 years.

With nearly half the votes counted, unofficial returns gave Señor Belaunde and his middle-of-the-road Acción Popular party between 38 and 40 per cent of the poll.

His nearest rival for President, Señor Armando Villanueva, of the left-of-centre Apra, was running a distant second and immediately accused government officials of widespread fraud. He appealed to his followers to keep calm, but did not exclude that "blood could run."

To be elected President outright, Señor Belaunde would need to win at least 36 per cent. The elections in which about 6,500,000 Peruvians were also choosing two senators, 50 senators and 130 representatives, end 12 years of military rule.—Reuters.

Prisoners escape

Jakarta, May 19.—Nine criminals used forged keys to escape from prison at the Jakarta Police Command last night, a spokesman said today.

Paratroops quell riot in S Korean town

From Jacqueline Reditt
Seoul, May 19

Paratroops were dropped by helicopter in Kwangju, south-west Korea, as residents joined forces with demonstrators and fought a pitched battle with riot police and soldiers, reports said here today.

Eyewitnesses said that the town looked like a battlefield and a dense pall of smoke hung over it. Several thousand demonstrators, some of them armed with sharpened bamboo sticks, were protesting against the imposition of total martial law throughout the country from midnight on Saturday.

The demonstrators clashed with troops who were conducting house-to-house searches for students. One eyewitness said he saw students, including women, dragged from a library, stripped to their underclothes in the street, and kicked and hit by soldiers.

Students took over a local radio station and set fire to petrol spilled around it to ward off police and troops.

About 100 demonstrators stormed a building when they saw soldiers inside. They broke windows and tried to set fire to it but apparently withdrew when they realized that it was the Christian Broadcasting Station, according to sources in Seoul.

One child was run over and killed by an armed troop car-

rier and hospital sources said there were at least 40 injured. Unconfirmed reports said that more than 500 demonstrators had been detained.

Kwangju was sealed off yesterday by troops and the curfew brought forward to 9 pm from midnight after students marched through the streets and destroyed two police posts and a police vehicle. No official reports have yet come out of Kwangju, which is in the home province of the late President Park, a leading dissident who was one of the first to be arrested in Seoul on Saturday.

A small demonstration involving about 200 students in Seoul was broken up tonight and 20,000 extra troops have been brought in and positioned discreetly in side streets, bringing the total to about 40,000, supported by tanks and armoured troop carriers.

Parliament closed. The martial law authorities today ordered the closing of the National Assembly and the headquarters of both the pro-government Democratic Republican Party and the opposition New Democratic Party.

Mr Min Kwan Shik, acting speaker of the National Assembly, sent a letter to all Assembly members today saying that the military had informed him that they would not allow the opening of the Assembly session due for tomorrow.—AP.

Queensland seen as site for huge national park

By Tony Samstag

The state Government of Queensland, Australia, is about to come under pressure to declare a sizable chunk of its territory a national park.

The Cape York peninsula, which occupies the northern tip of Queensland, with much of the Great Barrier Reef lying just off shore, has been designated the "focal point" of the second World Wilderness Congress, which is to be held in the city of Cairns near by from June 9 to 12.

In the opinion of Mr Laurens van der Post, the explorer and writer, the whole of the peninsula, variously estimated at 50,000 to 70,000 square miles, could well be the biggest, most important wilderness area in the world. The Queensland Government, however, has so far declared less than 10 per cent of the region a national park, albeit with another 2,700 square miles in the pipeline.

And just over 6,000 square miles set aside as aboriginal reserves, according to the state Department of Culture, National Parks and Recreation.

Mr van der Post is one of the founder members of the World Wilderness movement, and it is to be expected that the hundreds of scientists, con-

servationists and politicians converging on Cairns will support his ambitions for Cape York.

Cape York—Weinmouth, which Mr Wally O'Grady, the chairman of the Wilderness Congress, has called "biologically the most important in Australia." In a paper presented to the first World Wilderness Congress in Johannesburg in 1977, Mr O'Grady also mentioned the "extremely high species diversity of the rain-forested areas of Cape York, the abundance of the dugong in coastal waters, and the unique juxtaposition of coral reef and rain forest."

The region supports a great many species of flora and fauna that have not yet been described or identified, and includes hundreds of "galleries" of aboriginal art in rock shelters, among them a prehistoric mural, about 100 metres long and six feet high, thought to be the largest of its kind in the world.

Meon Group Travel of Petersfield, Hampshire, has been appointed group agent for the second World Wilderness Congress and is offering package trips for parties of 15 or more.

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Alcohol problem mars Japan's success story

From Peter Hazehurst
Tokyo

Japan can now boast the highest rate of productivity among the industrialized nations, the lowest incidence of violent crime, a disciplined society and a dedicated workforce that seldom resorts to strikes.

It is an impressive record, but Japan's 112 million population has been informed of a new, disturbing trend; consumption of alcohol is reaching epidemic proportions.

A recent report has disclosed that the country now has more alcoholics than unemployed.

And a study by the Tokyo metropolitan government shows that deaths as a direct result of drinking have increased to nearly 2,000 a year in the capital.

Significantly the report goes on to disclose that the number of alcoholics in Japan rose sharply in the 1960s and 1970s as the country emerged as a new industrial power.

In the past most victims of

alcoholism in Japan were labourers and construction workers, but the disease is now prevalent among white collar workers, women and businessmen," the report claims.

Social workers estimate that Japan now has 1.8 million alcoholics; whose ranks are likely to swell under existing social and economic pressures.

More disturbing still is that more and more women are becoming alcoholics. About 45 per cent of all Japanese women drink. Their husbands are away at work until late at night and women drink out of frustration," says Dr Yoko Watanabe, a leading social scientist.

Because Japanese society is conservative and straitlaced, men tend to use alcohol as a form of release. "I think we would explode without it. We can let our hair down after a few drinks and get rid of our inhibitions," a Tokyo businessman says.

The pressure of a hard 10-hour working day and the lack of facilities for entertainment

at home also encourages Japanese to use liquor as a form of relaxation.

"We are the most permissive people in the world as regards alcohol. We consume it with abandon," Dr Hiroaki Kono, one of the leading experts on alcoholism, says.

The quantity of alcohol consumed in Japan has risen from 334 million gallons in 1965 to 400 million gallons in 1979. This means that on a per capita basis each Japanese consumes 15 gallons of alcohol annually.

The repercussions for the alcoholic are omnipresent. Official sales are enhanced by 100,000 vending machines that dispense beer, whisky, wine and sake 24 hours a day. Some 80,000 bars, nightclubs and other establishments are licensed to serve liquor in Tokyo alone. Grocery shops can sell all forms of liquor round the clock.

Japanese people do not generally attach any stigma to drunken behaviour. A young

businessman can go out on the town, slip down several whiskies, insult his boss, lose control of himself and pass out, yet his behaviour will not necessarily be held against him. In some circles it is even considered a badge of honour to come home drunk after work.

Scenes on Tokyo's underground stations late at night provide testimony to fears that alcoholism is emerging as one of Japan's chief social problems.

The besotted figures of well-dressed businessmen and white collar workers are found draped over seats of most platforms every night.

Railway workers complain that they have to carry sleeping drunks off trains and police have established special over-the-counter cells to accommodate them.

Social scientists are also disturbed by figures which indicate that 20 per cent of Japan's high school children are drinking, cope with the exacting pressures of the highly competitive education system.

مكتبة الأصل

THE ARTS

Mondrian seen in a Dutch perspective

Mondrian and the Hague School
Whitworth Gallery, Manchester

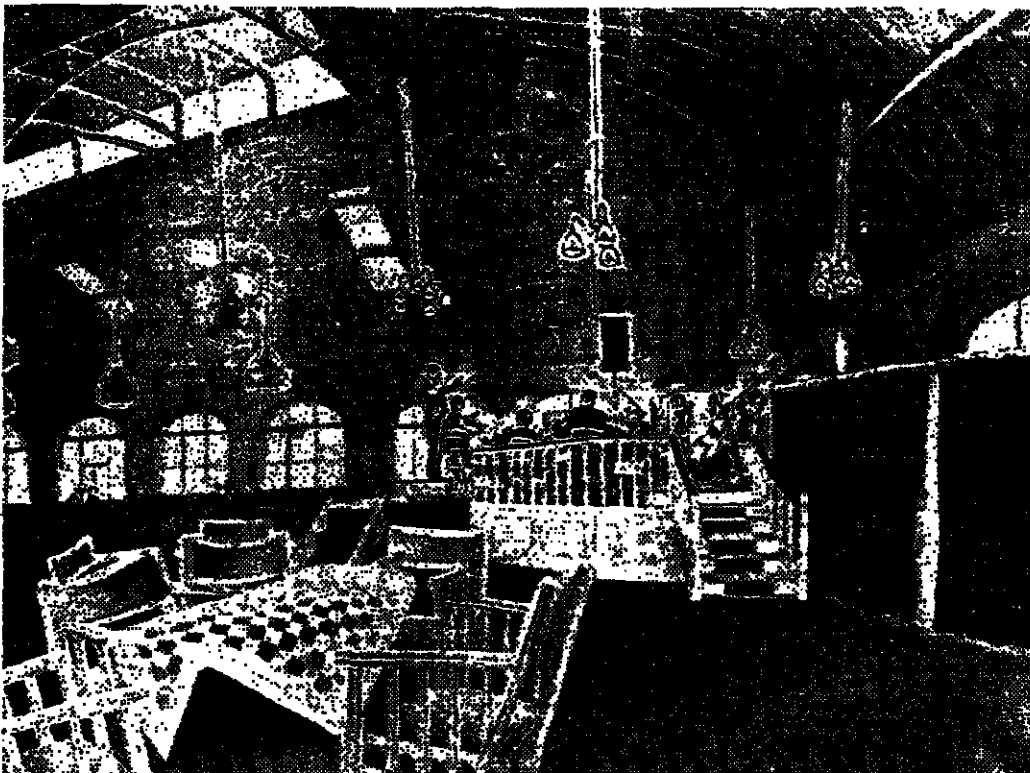
Salvador Dali
Tate Gallery

Walter Greaves
Michael Parkin

James Wood
Blond Fine Art

Theodore Roussel
Belgrave Gallery

Mary Potter
New Art Centre



James Wood: Brighton Pier, c.1930.

Mondrian seems to be in the air at the moment. He was, naturally, one of the star attractions in the recent Abstraction show at the Tate. He is the tutelary deity of the new Pier Ocean show at the Hayward; and now he and his family are the central concern of a fascinating show organized by the Whitworth Gallery, Manchester, in collaboration with the Gemeentemuseum in The Hague and due to be seen in the next five months in Southampton, Birmingham and Norwich, but not, unfortunately, in London.

It is, first and foremost, an essay in changing perspective. Abstraction showed Mondrian. It was from the end back to the beginning. The room of Mondrian included a number of his last representational paintings and drawings, but primarily in order to demonstrate his inexorable progress towards abstraction. If there was what came to be in Manchester we get a clearer idea than ever before in this country of what he came from. Hence the unfamiliar spelling of the name. His artist uncle, Frits, and his amateur artist father Piet senior, both spent the name Mondrian, and so did he until he moved to Paris and dropped the second "n". The artist represented in this show is very much Mondrian with two "a"s, and it includes paintings that one would never guess were Mondrians, even with the evidence of the signatures in those square capitals affected by a whole generation

of artists following in the footsteps of Bastien Lepage. (We have homegrown examples, expected and unexpected, in the Clausen and Brangwyn shows currently in Bradford and Brighton respectively, but London-bound.)

And the connections with the Hague School, the most important Dutch artists of Mondrian's childhood, are made very clear. Even the names, once famous, are no longer very familiar, since painters like Meuwse, Maris and Israels have not yet come in even for the limited reevaluation that their French equivalents, the Barbizon School, have enjoyed. Their work tends to be dark, placid, rather drab-coloured, reflecting the unsensational facts of the rural scene in the Netherlands: they were very good at cows and sheep and haystacks and the odd stouped peasant. But then so was Mondrian in his early days. It is only very slowly that the geometry underlying these scenes becomes important, and finally dominant. The show climaxes with a series of his wonderful drawings and paintings, and paintings of his own, between 1908 and 1913. There are also some finely expressive drawings of flowers, particularly those chrysanthemums which we know took on symbolic overtones for him when his theological studies carried him beyond the surface to the soul of things,

and so, coincidentally, beyond physical accidents to the geometrical essence.

Dali is in many respects the opposite of Mondrian. Even when Mondrian, as in some of these early drawings, seems to be at his most literal, there is always that feeling of a major dimension beyond the immediate rendering of appearance. But Dali, however dedicated in principle he may be to a Surrealist vision of dream and the unconscious, is always astonishingly, painfully literal. The overall impression created by the big retrospective at the Tate Gallery, imported from Beaubourg (where it was when I wrote at length about it in January) and reduced by about a third, is one of invention rather than imagination. The concepts all seem to be very literal, like so many scenarios for visual realization. When it comes to putting them on canvas, though, there is a stunning competence, a lot of slick, impersonal finish (many Dalis look better in reproduction than in the original), and as far as one can tell a complete lack of creative involvement in the actual process of art.

This, indeed, is in a very real sense conceptual art: the excitement is in the thinking rather than the doing. And Dali now suffers from having been overtaken by his followers in commercial art. If one looks, for instance, at the show of Justin Todd's original artwork

for the covers of recent paperbacks now in the foyers of the National Theatre, one is hard put to it to say that his meticulous, carefully rendered fantasies and optical tricks are any less inventive or any less skilfully carried out than Dali's. Dali's only advantage is having done it first, and that is about as much consolation as it was funny when he said "it". Certainly no one, however enjoyable Todd's work may be, would regard him as a major talent; and it is hard to extend that indulgence to Dali either any more—especially seeing his work neatly defused by the Tate, coolly and academically—than to any of the many dead objects for study that denied the element of showbiz flair and nonsense which did a lot to enliven the show in Paris.

Closer to home, several of the galleries which specialize in revival and rediscovery have been doing a good job. At Michael Parkin until June 6 is a show marking the fiftieth anniversary of Walter Greaves' death. It is both interesting and puzzling, reopening the old questions of whether Greaves, a Thames waterman encouraged towards art and then brutally discarded by Whistler, was in fact, as an artist, Whistler's creation or his victim or both. The odd thing is that the simple assumptions we might be tempted to make about Greaves before and after his vital contact with Whistler do not seem to hold up. Some of his paint-

ings are straight imitations of Whistler, but equally many of his most personal works seem to date from just the time when Whistler's influence should have been most inescapable, and much later he seems disconcertingly able to produce very sophisticated and evidently amateurish work at the same time. There could be four or five Walter Greaveses rather than the two of received opinion; but at least a couple of them were remarkable artists in their own right.

Blond has turned up a twentieth-century English artist (1889-1975) of whom I had never heard, though I see he had several one-man shows in London up to 1955, and collaborated on influential books, including *The Foundations of Aesthetics*, written with T. A. Richards and C. K. Ogden. He was even an alumnus of my old college. But the name of James Wood seems to be familiar to no one. On the evidence of this show (May 21) it should be better known. He was an excellent draughtsman, had an interesting and individual line in home-grown surrealism in the 1930s, a taste for rather drab suburban details and the like, and does not fit neatly into any group or school.

Downstairs the Belgrave Gallery has a show of an earlier artist, not so completely forgotten, it is true, but rather downcast and in the margins of more important lives, such as Whistler's and Sickert's. Theodore Roussel was nevertheless a very accomplished, even vividly evocative of the London scene in the 1890s and 1900s, and a fluent painter of tiny panels, usually landscapes, which are closely comparable to the contemporary works of Gerald Kelly but go interestingly further in the direction of abstraction.

Finally, Mary Potter, happily still active, is rather 80. The occasion is marked by a small show at the Tate and a larger show at the New Art Centre. Her art is entirely unemphatic, delicate washes of pale colour evoking landscape and still-life and domestic scenes. Though one hardly dares say so any more, it is very feminine art, in most of the senses in which that has been traditionally understood. But not ladylike: there are an intensity and immediacy of emotion and an unobtrusive mastery of the painter's way and means which happily enable it to escape any limiting kind of gender-definition. Ultimately, this is painting, very good painting, and that is that.

John Russell Taylor

Book How civil are they?

The Civil Servants
An Inquiry into Britain's Ruling Class
By Peter Kellner and Lord Crowther Hunt

Anyone asked to comment on these columns on a critical study of the Civil Service is bound to feel that he is playing in an "away" fixture. It was, after all, on this turf that a few years ago the CPRS report which presumed to criticise the diplomatic service, was soundly trounced, not so much by the other team as by its hysterical supporters, who left the stands and invaded the pitch. But the invitation has to be accepted, if only because constructive criticism of the Civil Service, as of other elements in British government, is so badly needed. Peter Kellner is a journalist on *The Sunday Times*. Lord Crowther-Hunt is an Oxford man who was a member of the Fulton Committee on the Civil Service and later served in Harold Wilson's last government first in the Civil Office and then as a junior minister in the Department of Education and Science. Their book looks at the upper reaches of the contemporary Civil Service, and at developments in it since Fulton reported in 1968. Its general tenor is fairly indicated by a selection of its chapter headings, from its sub-title through "A Failure to Reform" and "How to become a Mandarin" to "The Biggest pressure group".

The book has many good things in it: an entertaining chapter on the Civil Service Selection Board; a good discussion of the respective roles of officials and ministers, especially junior ministers; an effective demolition of a characteristically extravagant claim by Brian Sedgemore that virtually all permanent secretaries go into "industry"; a classic minute of 1975 from the Department of Education and Science, explaining to the then (Labour) Secretary of State why he could take no action on his government's pledge to which all permanent secretaries had agreed; a table of status from the public schools. It is crisply and readably written, with adequate references properly tucked away at the back. As a whole, it is the fullest and most up-to-date account available of the British higher Civil Service today.

This is interesting and valuable. Whitehall is an organization of immense complexity and sophistication which contrives to absorb a large number of very able people and to use them to amazingly little creative purpose. The first step towards doing something about this is to understand why it is so. But here this book is not wholly satisfactory. There are two main, closely-related, reasons for this. First, too much weight is paid to the Fulton report, the reproducible ghost of the Fulton Committee stalks these pages, manifesting itself first with a long and detailed reprise of its main recommendations which opens the book and sets much of its tone, and ending with a last rattle of chains in the rather surprising form of a complete list of its members in an appendix.

The basic point which underlies all this detail is important and true, namely that as a whole today's Civil Service is, in most significant respects, as though Fulton had never been. But that is not in itself a very far beyond Fulton. It adds something to our knowledge, but little to our understanding, of the Civil Service. Despite a wealth of specific examples along the way, the basic argument tends to deal in oversimplification, not to say, simplistic, categories—the civil service, under-secretaries, ministers. This follows partly from its explicit intention to concentrate on people and not on institutions or processes. Little is said about interactions between officials and the outside interests with whom they deal, or about the variations in the "character" and administrative style of different departments.

Over-simplification follows also from the authors' tendency to blame civil servants for any defects of central government. Thus although the chapter about secrecy in government acknowledges that ministers must bear some of the blame, it is suggestively titled "Civil servants and secrecy". The chapter called "Civil servants and Parliament" ignores ministers almost entirely. Though the crushing workload on senior ministers is well described, nothing is said about the basic qualities which they require to head a large government department, nor about how they are selected, or how they are fostered by half a lifetime in professional party politics. It all rather like a commentary on the behaviour of a football team without reference to the rules of the game, the whereabouts of the ball or the actions of their opponents.

William Plowden

London debuts

David Green's piano recital was one of the most exciting debuts I have heard for some months. A natural performer, he was refreshingly unselfish in a performance which caused one no concern about maladroitness or ill-considered interpretation, for everything here was well imagined and perfectly achieved. No less so was the winning variety of colours and shapes in the Rachmaninov variations.

The oddly named Mumenthal Concertodrome, basing from Innsbruck, were by no means so confident in pursuing their intentions. They are a mixed group of musicians who like to play mixed programmes: this time they began with an improvisation for quintet, and continued with a solo violin piece by René Leibowitz, a Brahms song, a Renaissance dance for pipe and tabor, a movement from Bach, and a bit of jazz for electric guitar and vibraphone. They are, one may say, versatile, but versatility does not go down terribly well in a conventional concert hall, where the formal surroundings make it seem better to have been novel and exciting, thus became rather a bore, despite the high standards of performance. The ensemble's leader, Martin Mumenthal, is a very gifted violinist, with a clean, pure style and agile fingers; the team also includes a fine cellist in Max Engel, a pair of brilliant self-regarding jazz musicians, a soprano, Doris Linder-Ramer, who was particularly engaging in an improvised limerick song. But the whole is considerably less than the sum of its parts.

Paul Griffiths

Maurizio Pollini Festival Hall

Joan Chissell

Only four of the many artists in the 1979-80 South Bank Sunday Series of piano recitals have risked the capacious Festival Hall as a venue. One is Maurizio Pollini, who filled every seat on Sunday afternoon, notwithstanding the call of May sunshine and the fact that he eschewed all fireworks in favour of a predominantly confidential programme of Schumann and Brahms.

His bravest gesture was in rescuing the rarely heard *Gesänge der Frühe*, op. 133, written only a year before Schumann's mental breakdown. Not even he could transform that suite as a whole into a neglected masterpiece. The three more strenuous central numbers, while interesting enough in certain textural pre-echoes of later Brahms, still betrayed their moments of strained invention. But his simple devoutness and lovely tone in the calmer prelude and postlude, like hymns of praise

ment to sound out hauntingly, yet did so without damage to his smooth, straightforward presentation of the music, was refreshingly unselfish in a performance which caused one no concern about maladroitness or ill-considered interpretation, for everything here was well imagined and perfectly achieved. No less so was the winning variety of colours and shapes in the Rachmaninov variations.

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Paul Griffiths

La città delle donne Cannes Festival

David Robinson

"I have the feeling that all my films are about women," says Federico Fellini, whose *La città delle donne* had its international premiere at the Cannes Festival last night (it opened some days ago in Rome). "Women represent myth, mystery, diversity, fascination, the thirst for knowledge and the search for one's own identity. I even see the cinema itself as a woman. . . . Going to the cinema is like returning to the womb: you sit there still and meditative in the darkness, waiting for life to appear on screen."

La città delle donne is a kind of exotic *Alice in Wonderland*, the drooping afternoon fantasies of a tipsy Italian sissy (who but Marcello Mastroianni?) travelling on a train. His White Rabbit is a seductive woman who lures him off to a hotel invaded by a bizarre congress of violent militant feminists. Further adventures take him to the fortress of a monstrous phallicist and to still wilder

shores of Freud-Fellini nightmare.

His film, Fellini insists, is a dream, an evocation of the subconscious. "I want people to see it without trying to understand it." The trouble is that *La città delle donne* is too much and too consciously the *metteur-en-scène* for such surrealist effect. You are aware of Vandeville rather than dreams, and stage effects rather than visions. And for once—with the concentration on a single theme and that misogynistic fear of women which is so much and so consciously the *metteur-en-scène* for such surrealist effect. You are aware of Vandeville rather than dreams, and stage effects rather than visions. And for once—with the concentration on a single theme and that misogynistic fear of women which is so much and so consciously the *metteur-en-scène* for such surrealist effect.

Since *Fists in the Pocket*, 15 years ago, Marco Bellocchio has been fascinated by the twin—and for him inseparably linked—themes of the family and madness. In *Sei tu nel Vuoto* he follows the twin theme of a middle-aged brother and sister living together in a somewhat incestuous mutual dependence. The brother so fears for the sister's sanity that he tries to drive her to suicide by providing her with a young man who can be relied on to deceive and disappoint. When the ruse has rather the effect

of rehabilitating her, the brother's own latent insanity surfaces, and it is he who suicides. The couple are marvellously played by Michel Piccoli and Anouk Aimée. Piccoli is obsessive and *distraite*—but Bellocchio's austere resistance of the dramatic is a negative kind of alienation, tending to make uninteresting, even the most interesting of his observations. Since it will probably soon open in London, there is no need to say more about his advance recommendation. It is a contemporary fable about a man who has been raised from childhood imprisoned in a house where his only contact with the world has been television. Loosed on the world, he is at first so confused and hostile that he is naturally taken for the wisest man in the world. He is last seen walking on water and heading for presidency of the United States. The film suffers from overlength but does not succumb to it in the sense of trying to elaborate the essential simplicity of the most restrained and so best performance of his career.

New Mozart Orchestra/Fairbairn St John's

Paul Griffiths

Since opportunities for young conductors are scarce, it has become common practice for the aspiring maestro to form his own orchestra (or indeed her own, but sadly I can think of no female example). This may favour those whose gifts are largely for organization and publicity, but it also allows a platform for talented conductors like Clive Fairbairn, who directed his New Mozart Orchestra on Sunday in a refreshing programme of Mozart, Haydn and Cimarosa. His disciplined manner suggested the administrator and his costume the showman, but

his performances were also marked by purposeful phrasing that excluded costly affectation and yet was never dull or dry. Rhythms were vital and the sound was firm and strong, even when stretched to brilliance in Mozart's *serenata notturna*. Above all, Mr Fairbairn achieved a vivid clarity of execution and expression. He certainly did not deserve the unceremonious treatment he had to endure at the hands of Sir Geraint Evans, who arrived after the interval in costume to interpret the crusty conductor of Cimarosa's comic interlude *Il maestro di cappella*. Dismissing Mr Fairbairn to the keyboard, from where he could keep a watchful eye on proceedings, nevertheless, Sir Geraint gave a joyous account of a piece which could have been made to exploit his skills as singer and comic actor. As so often, he brought a

RPO/Frühbeck Festival Hall

William Mann

Returning from a concert tour of Spain, the Royal Philharmonic Orchestra brought back to London not only their tour conductor, Rafael Frühbeck de Burgos, but also the Orfeon Donostiarra, a young medium-sized choir from San Sebastián, for Sunday's performance of Verdi's *Macbeth* and for Orff's *Carmina Burana* this coming Thursday. The choir was the point of special interest, and at once showed any chorally biased Londoners that no coals had been brought to Newcastle. The extreme pianissimo at the start, chords ideally balanced, accents clean and unexaggerated, nuances and consonants equally cared for, promised well. With

"Te decet hymnus" and the first forte, we could appreciate the virtue of a smallish, expert chorus (about 50 sopranos), finely focused attack, and total cohesion, pliable, not relentless. The young voices could ride a full orchestra in the tempests of *Dies irae*, sparsely in the *Sancrucis* and the *Liberia me fuge*. Theirs is an expert, thrilling sound. The impact of the female voices, fresh and healthy, altos as well as sopranos characteristically girlish, and brighter than our lady choristers (as well as less numerous), impressed me most. But in any performance of Verdi's *Macbeth* the conductor and the vocal parts are as important as the choir. Frühbeck has conducted it here before; his reading, not significantly different in pace or treatment, this time appeared to draw extra spirit, and extra care, from the inspira-

Salvador Dali

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Charles Douglas-Home on today's 'separatism' vote in Canada

Quebec: master in its own house?

Today Quebec's vote in a referendum to decide whether or not to empower their provincial government to negotiate sovereignty with the rest of Canada. As one Quebec editor observed, the two words "sovereignty association" are contradictory when put together, but the question on the ballot paper and the meaning of the phrase has been kept conveniently vague by M. René Lévesque's Parti Québécois government.

It has led pessimists to say that a vote in favour gives the PQ a blank cheque to engineer separatism; whereas optimists believe that it is vague because the PQ already know that the vast majority of voters do not want separation, so that only a nebulous formula on the ballot paper will conceal the extent of their defeat and enable Quebec's nationalists to recover their morale in time to hold on to power at the next provincial election within 18 months.

There are four possible outcomes:

- 1.—The PQ could win both a massive "yes" vote and the subsequent election which would encourage them to detach Quebec from Canada.

- 2.—They could have a marginal win both in the referendum and the election, but the narrow majority would not give them a mandate for separation, and this ambiguity would weaken Quebec's negotiating position with the Federal government in Ottawa.

- 3.—They could lose the referendum but win the election, which would still lead to a negotiation on Quebec's status within Canada though an even more muted one in which M. Lévesque would find himself merely

aligned with other discontented provincial premiers.

- 4.—They could lose referendum and election, after which Quebec would be governed by the rest of Canada.

Common to every possibility is the fact that, whatever the referendum result, nothing about Quebec's status in Canada will have been settled by it alone. The subsequent election is just as important. Moreover, as Mr. Trudeau has already promised, even if there is a "no" vote constitutional negotiations between Quebec, Ottawa and Canada's nine other provinces will soon start. However, the credibility of this promise must be weighed against Mr. Trudeau's previous failures to bring about a constitutional revision.

If nothing is to be settled today, therefore, it may be asked: Why have a referendum? What is Quebec after? There are either no answers to these questions, or too many. Only history can explain why it has to be asked in the first place.

Two elements distinguish Canada from the United States: the Monarchy and Quebec. Non-French Canadians might resent it, but the fact that any Canadian culture and national identity has escaped the neighbouring map of Americana can only be explained by the presence of a more indestructible cultural nationalism in the French Canadians in Quebec.

English Canadians worship at the shrine of Lord Durham, whose report gave Canada self-government: the French detest



M. Lévesque: vague meaning

him because he hoped that their identity would be absorbed and eventually dissolved in the Anglo-Canadian polity.

"There can hardly be conceived a nationality more devoted than the French in lower Canada. They are a people with no history and no literature, I have little doubt that the French when once placed would abandon their vain hopes of nationality," he said.

Lord Elgin, a later governor-general, was more perceptive: "You may perhaps Americanize; but depend upon it you will never Anglicize, the French inhabitants of the province."

Early Canada was always two nations and today 43 per cent of French Canadians still maintain that to be so, while only about seven per cent of other

Canadians recognize this cultural duality. In a race of two, the French have thus always felt the indignity of being last.

They were a defeated people, cut off from France, clinging to their land, their language and their church. No new immigration, little commerce, and less traffic disturbed the close society. As land became used up they migrated to New England so that the French proportion of Canada's population has remained largely constant at about 30 per cent since 1867, while the Anglo Celts have dropped from 64 to 44 per cent. Yet the French always saw themselves as *Les Canadiens*, while the others—all the others—were *Les Anglais*.

With this 200-year-old tradition, modern Quebec is still unmistakably distinct compared to the rest of Canada and not just for its language. The provincial assembly has a hum of political electricity about it in which one feels a great issue of social principle, not just a political dispute, are at stake. The principle is not just below the surface of day-to-day politics: a proper parliament, in effect, and in contrast to Canada's other provincial legislatures where pork barrel arguments marry less easily with parliamentary pomp.

Quebec's traditional cry has always been to be *"maîtres chez nous"*. This was not what Ottawa wanted, since Quebec's demand for autonomy in social policies clashed with the Federal view that Ottawa must determine social questions for all Canada. Instead Ottawa hoped to assuage Quebec through bilingualism enforced through the Federal Civil Service Act.

This misunderstanding of the nature of Quebec's demands which is why the bilingual act failed to stem the separatist movement. Quebec's politicians and intellectuals may be more cultivated than *Les Anglais*, but more of them are either ignorant of or uninterested in the rest of Canada, knowing more about Europe and the United States. A law which insisted that French was to be spoken in a Federal office in Vancouver was of little consequence to them, even though it became a necessary but unwelcome reminder of Quebec for the rest of Canada.

The change in Quebec started after 1960 with the overthrow of the last "closed" premier and the "quiet revolution" that followed. First it was education. In schools and universities the church, which had connived at Quebec's intervention, lost its authority. Seminars have closed, congregations halved and churches are for sale. Because the church had largely accepted the previous suppression of social vitality, its predomance in society was worn away by the "quiet revolution".

The same convulsions affected industry, with M. Lévesque then a junior minister leading the way by nationalising hydro-power and giving Quebecois their first taste of industrial muscle, since most of the electricity companies had been owned by *Les Anglais*.

The seal was not put on the "quiet revolution" until after the PQ won such an unexpected victory in November, 1976. A new French language law, brutal and probably unconstitutional though it was. Finally put an end to the English-speaking business left, since particularly the engineers claimed that their businesses could not conform to the mandatory French-speaking provision of the Bill. This meant more opportunities in senior management for Quebecois; and the real and imagined slights which French intellectuals had received from the powerful English-speaking minority in Montreal—at last they were avenged.

Now that Quebecois are *"maîtres chez nous"* do they want more? Do they need more? Their own currency, army, or merchant fleet, such as all separatist romantics play with in their dreams? Can they ignore the 15 per cent drop in their standard of living which would occur if they separated from Canada; or the warnings from other provinces that no separation could be amicably achieved; or the fact that, in spite of its hydro-electric potential, Quebec is the world's tenth largest importer of oil, and thus needs the subsidized oil provided by its west Canadian cousins?

In 1976 the PQ was elected on a platform of good government, not of separatism, for which the poll revealed only 14 per cent voted. Many others say they only want sovereignty, if by sovereignty they mean an economic union with Canada—thus begging the question. In Quebec during the winter I found nobody, even ministers, prepared to accept the full consequences of sovereignty—that it was desirable in itself even if it resulted in a bad settlement with the rump of Canada.

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The executive's motion to approve their own paper rejecting any extension of democracy within the union is No. 28, and moderates will, of course, be opposing it. Another motion would shelve the whole question; that is No. 23, and moderate opinion would wish that to be rejected, too, unless the moderates' own motion all fail, in which case motion 23 would be better than nothing.

The vital motions are Nos. 24 and 25, both of which call for postal ballots: No. 26, which calls for the introduction of election addresses; and No. 29, which rejects the executive council's paper on election procedures. All these will be supported by all moderate delegates.

Delegates will also, of course, be electing the new officers and executive council. The posts of chairman and deputy chairman are unopposed, but the moderates are fielding two candidates for the three vice-chairman seats: they are Dorothy HARKIN and Harold HALL. There are also 12 moderate candidates for the EC, including the two vice-chairman candidates, who can be elected for the EC if they are defeated as vice-chairmen, and for whom the moderate delegates will therefore be voting under both headings. The moderate EC candidates, therefore, are: J. R. BANNISTER; H. HALL; D. C. HARKIN; O. KELLY; P. E. TAYLOR; D. TOMLINSON; F. THOMSON; G. J. WAGGETT; F. WHITEHOUSE; S. WILLIAMS; M. WILLET; M. F. WILLIAMS.

In view of the way delegates to the conference are chosen and mandated, it may be that the left's grip cannot be broken this year. But one of the things moderate groups in unions learn early in their campaigns is patience, and whether the moderate group in the SCPS does well or badly at Portsmouth this week the fight is on to put control of this important union into the hands of men and women who truly represent the views of the membership as a whole. I wish them well.

Times Newspapers Limited, 1980

The Goddess Athene: An apology

In our issue of Tuesday, May 13, reference was made to the temple of the Parthenon, on the Acropolis of Athens, in which the writer, Mr. Bernard Levin, asserted that the statue which the building originally housed was of Apollo, and implied that the temple was sacred to him. Representations have been made, by Messrs. Higham, and Poseidon, Dionysos, Goodman and Derrick, acting on behalf of the Goddess Athene, pointing out that it was to her honour

and glory, as the patroness of the city of Athens, that the Parthenon was built, and her statue which stood in it. This is, of course, perfectly true; we greatly regret the error, and unreservedly apologise, for any distress caused, to the Goddess Athene, to whom we have agreed to pay a substantial sum in votive offerings.

Mr. Levin has taken heed, and is lying down just before doing so. It was heard to remark "Indignor quandoque bonus dormitat Homerus, sed it".

Britain goes along for fear the conversation might touch on our own Polaris force replacement; and Germany for fear of somehow "decoupling" America from Europe. What of the multilateral method? The Soviet-American non-proliferation policy of the sixties and seventies founded on two rocks: its inherent dis-

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Salt I, formally as well as substantially bilateral, slightly changed the direction of the bilateral strategic arms race; it did not slow it down. Nor would Salt 2, which is not yet in force. The MBFR conversations in Vienna have covered the wrong area, the wrong weapons and the wrong participants; they have achieved nothing. The world has become steadily less and less safe, and the people are more and more confused.

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Stopping the arms race from taking off again

The truth about détente, according to Lord Carrington, has been swept under the carpet for the last 10 years. He is right, and the same could be said about arms control for the last 20.

The Afghanistan shake-up ought to have provided the occasion to pull both these truths out and dust them off, since, unless decisions are taken soon, they will take themselves.

There is not much sign of it. Yet, if Britain and western Europe fall now to do something about disarmament, the arms race will take off once again. By doing something, we do not mean serving the Soviet interest by demonstrating against cruise missiles in Suffolk or advocating the self-financialization of western and central Europe; we mean that the governments of western Europe should jointly, and in close association with the United States, develop a more forceful, visible and politically alert arms control policy.

First, it should be admitted that bilateral negotiations, superpower to superpower, are sometimes block in block have achieved very little, and that the world of continued superpower hegemony which their continuation would prefigure (since the sum of negotiations usually prefigure their outcome) would be welcome nowhere but in the Kremlin.

For the West there is a choice of paths. The unreflecting path would be "no change": to revive the bilateral pattern of the last 20 years.

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Soviet-American led negotiations have given the world the partial rest "ban" a good clean air act, after which testing increased, the non-proliferation treaty (South Africa, Israel, Pakistan, India, and most of the possible proliferators have not signed it); the space treaty (the militarization of space is on the threshold of veridigous increase); and the sealed and the environmental modifications treaties (which ban what no one would want to do anyway).

Salt I, formally as well as substantially bilateral, slightly changed the direction of the bilateral strategic arms race; it did not slow it down. Nor would Salt 2, which is not yet in force. The MBFR conversations in Vienna have covered the wrong area, the wrong weapons and the wrong participants; they have achieved nothing. The world has become steadily less and less safe, and the people are more and more confused.

Despite this miserable record NATO now plans, through a committee staffed solely by Americans, to entrust negotiations on medium range strategic weapons in Europe to that same bilateral process as



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SIX MONTHS TO GET THROUGH

Monday, May 26, is the date which President Sadat begins set themselves last for the conclusion of negotiations on "full autonomy" in the West Bank and the Gaza Strip. The then it is fair to judge their success or failure is at last upon

re were strong reasons to be optimistic about it right from the start. Israel had taken great pains to ensure that implementation of the treaty was not conditional on the success of the peace talks. At the moment the Camp David agreement was signed, had out of their way to rule out interpretation of it which have encouraged hesitant Arab to involve themselves in the talks. There is a question of the autonomy at the end of the five-year period, to an independent Palestinian state. There was no mention of complete Israeli withdrawal from the areas in which the Israeli military government would be "withdrawn" in the terms of the agreement not abolished: apparently the location of its headquarters would be changed, not for the land, but for the self-governing authority would have no control over its own territory. The process of Israeli colonization of the areas could not East Jerusalem would not be considered part of the West Bank and so on.

ident Sadat bravely made all these statements, they were merely hardening his position which would negotiations go on, he could detect no inclination on Israel's part to make concessions once the price of peace with Egypt had been broken. Mr. Rabin, Israel's former

prime minister, gave the same away in an interview at the time of the treaty, when he predicted that the autonomy talks would fail and described this as a test of Egypt's good faith—to see whether she would stick to her treaty obligations or not. It might be a bad thing, he added, that this test should occur in an American election year.

President Sadat had thought of this too. But he hoped the impact of his policies on American public opinion would have changed the rules of American electoral politics. If Israel still appeared durable, in spite of all he had done, surely his friend Jimmy Carter would not lose votes by giving him firm support? Surely the American people would stand by President Carter, as they stood by President Eisenhower in 1956?

Apparently not. Either he underestimated the strength of Israel's hold on American public opinion, or he overestimated Mr. Carter's political courage, or both. Mr. Begin went to Washington in April, reaffirmed his position on all points, and returned not merely unscathed but apparently unadmonished.

So when Mr. Sadat announced last Wednesday "it is clear that we will achieve nothing definite by May 26" he was telling the world nothing it had not already worked out. He is clearly in a considerable quandary. He has now sent new proposals to Washington and Jerusalem, and it seems he may get an answer after next Sunday's meeting of the Israeli cabinet. It is possible, therefore, that by next Monday the three parties will have cobbling together a formula enabling them to announce that the talks are on again, with or without a new target date. But will it be reasonable to ask the world to reserve its judgment any longer?

In a sense the world has no choice, since it is hard to imagine any alternative formula not at

least equally vulnerable to the same obstacles: Israeli obduracy and American weakness. A "European initiative", possibly in the form of a draft resolution on Palestinian rights for the United Nations Security Council, has been much canvassed. But even Mr. Khalid al-Hassan, one of the leaders of the Palestine Liberation Organization, has been realistic enough to say that if such a resolution were voted by the United States it might improve Europe's standing with the Arabs but would do no good to the Palestinians, and therefore that there was no point in going ahead with it until after the American election.

That is surely right. But meanwhile there are six months to be got through with a visibly explosive situation on the West Bank and a growing impatience with America and her allies throughout the Arab and Muslim worlds. Europe has to try and fill the gap, at least by being seen to prepare the ground for more directly fruitful action as soon as America is again capable of enacting, and perhaps even implementing, a policy. There is no magic formula that will suddenly bring Israelis and Palestinians together, even if a re-elected President Carter were to intone it in unison with a rejuvenated President Brezhnev. A great deal of diplomacy is needed. The Palestine Liberation Organization will have to be involved. But it has to be persuaded to accept a formula which there is some prospect of persuading the Americans to try to sell to (with luck) a new Israeli government. American public opinion itself has to be convinced of both the necessity and the possibility of the Palestine Liberation Organization's inclusion in a peaceful settlement. In that process, both Europe and the Palestine Liberation Organization itself must have a part to play.

errors arising from unfamiliarity with its subject matter (though it blundered badly a few years ago over the cost of new contracts for junior doctors). Although it only deals with one category of workers, it has not over four years looked unduly favourably on their interests. But where different assessment processes exist in closely related sectors, anomalies are bound to occur.

The machinery for setting public-sector pay takes too much account at present of comparisons of earnings, and too little of the need to maintain recruitment at the necessary standard. In the case of doctors, where the vocational impulse is so strong that recruitment in general can never be a difficulty, a public duty exists to ensure that this impulse is not exploited. But over the public sector as a whole, it is essential that awards do not concede that any group has an automatic right to maintain its relative position, and that the Government should always be ready, in the last resort, to use its power to reject awards that are unacceptably inflationary.

DOCTORS' THIRTY PER CENT

For years the medical profession has faced about the review body on remuneration ("pay" in context, is felt to be too a word). From time to time the profession threatens to reject the review body: junior hospital doctors engaged in a boycott of work at this moment. But even then doctors may be ready to concede that the review body can serve them well. An increase of more than 30 per cent in cash-limited terms is not despised. Indeed, it is to be expected, and certainly will be by various groups within the Health Service.

However, which the Government have accepted in full, is a straightforward annual increase. Roughly a third of it is paid in kind, and the remainder in cash. The review body has been designed to bring earnings back to the position they had in before a series of formal incomes policies. The Government were already committed to accepting this part of the deal, and the NHS cash

limits for the year were drawn to take account of it, as well as providing for an award for this year at the going rate. The profession did suffer more than other groups from the accumulated effects of incomes policies, even if comparison is made only with similar, relatively well-paid categories, and it is right to reserve them to their due position.

Over the years the review body has been of service both to the profession and the public by minimizing the natural acrimony of negotiations over doctors' earnings, and resolving the often complex issues involved with a high degree of knowledge and fairness. However, review body works squarely within the tradition of comparability studies between the public and private sectors which is so unsatisfactory in its workings in the civil service and elsewhere. The overall effect of such procedures this year has caused grave damage to the Government's whole anti-inflationary strategy.

The review body, with its long experience, is less vulnerable than the Clegg commission to

errors arising from unfamiliarity with its subject matter (though it blundered badly a few years ago over the cost of new contracts for junior doctors). Although it only deals with one category of workers, it has not over four years looked unduly favourably on their interests. But where different assessment processes exist in closely related sectors, anomalies are bound to occur.

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COMMONWEALTH ROLE IN UGANDA?

Mr. Binaisa has asked the American and British Prime Minister to organize outside help to assist him as President of the Uganda National Council. The Ugandan crisis is primarily a Ugandan concern, and that the good offices should be used to technical and financial aid. Mr. Binaisa's words have some sympathy for them, a man caught in an invidious situation. Yet it is not clear whether he really has his chief of staff, for unable to control his men and murderous troops, rather he merely used the excuse to sidetrack the man suspected of working to overthrow him: Dr. Milton Obote as President.

The composition of the new regime, and its first steps, suggest that the struggle led by Dr. Obote will win as the leader of substance left in winning. The Military Council has installed a Cabinet composed of itself and Obote's supporters. A three-member subcommittee of that Ministry exercises the presidential powers, while the Consultative Committee (the interim Parliament) can propose laws with the agreement of the Cabinet. These new

arrangements were made with the agreement of President Nyerere. Dr. Nyerere is the unseen member of all Uganda's committees by virtue of his 10,000 troops still in the country. Dr. Nyerere could have disputed the overthrow of President Binaisa, but did not; however, his troops were sure that Mr. Binaisa's life was preserved.

The new military regime, which, however, is ultimately dependent on the consent of its marauding troops, has accepted Dr. Nyerere's advice to hold elections by December; and it proposes, like Mr. Binaisa, a Commonwealth observer force to see that they are "free and fair" in the Rhodesian phrase. But it is necessary to ask whether Mr. Binaisa can be a candidate, as he intended, or has he been carefully disqualified by charges of tribalism and corruption which, incidentally, could be laid against a good many senior Ugandans? It should be obvious that Commonwealth governments in general, and the United Kingdom in particular, are not prepared to provide a mere smokescreen for easing Dr. Obote into an office to which he was certainly not called by acclamation after President Amin's downfall.

Equally, Commonwealth observers can hardly validate elections unless a variety of political

parties, in addition to Dr. Obote's powerful UPC, have every facility to campaign. Nor can the Commonwealth validate elections as free and fair unless the constitution firmly subordinates the military to the government installed by them. These are problems which the Commonwealth Secretariat might usefully examine, but the Secretary-General, who was active when the Rhodesian settlement was in the making, seems to be without instructions. So far, indeed, the Commonwealth as such has not shown itself to be the natural resort for neutral good offices in the Uganda crisis, and its apparent lack of a reserve role of this kind is paralleled by the Organisation of African Unity, which seems even more unconcerned.

Uganda's fate is therefore being decided by negotiation between President Nyerere and the Uganda military. Dr. Nyerere's doubtless has the best interests of Uganda at heart, but he is apparently expecting Uganda to pay for the occupation troops, which give him the influence he has on Uganda's fate. Uganda can only pay out of its export earnings, earnings badly needed to finance reconstruction, or by international loans and grants. Governments who wish to help Uganda should make sure they are not indirectly subsidising Dr. Nyerere himself.

The possibility of such discrimination arises from the peculiarities of the offence itself which is specifically tailored for those where there are not reasonable grounds for believing that a person is committing or attempting to commit an offence. It is because of the vagueness of 54 itself and the lack of the usual safeguarding requirements demanded in a system based on the rule of law that such arbitrary enforcement is possible.

Yours faithfully,
JONATHAN WOODCOCK,
14 Longcroft Road,
Edgware,
Middlesex.
May 7.

law arrests

Mr. Jonathan Woodcock
Mr. Saunders (May 7) asks whom are the police discriminating when 60 per cent of those arrested and proceeded against are not black? Figures for 1979 of those arrested and proceeded against, 54 of the Vagrancy Act, 1824, Metropolitan Police District, that there is a serious case of racial discrimination (intentional or otherwise) to be answered. They that black-skinned people (police) Police Identity (IC3) entered 40 per cent of the total of persons arrested and pro-

A Belgian lesson for Ulster

From Mr. John D. Taylor, MEP, Northern Ireland (Official Unionist)

Sir, After six weeks of political bargaining and inciting Belgium has once again managed to patch together a new coalition government with the division between the Flemish and Francophone communities being so evident. Wilfried Martens is to be congratulated and wished all success with his new team of ministers.

That power sharing has proved so difficult in a country where at least the two communities share the same religion and national allegiances is a caution to any who might be tempted to reintroduce into Ulster constitutional arrangements which have previously failed. If power sharing, between peoples of common national loyalty in Belgium is almost impossible then it would certainly prove impossible once again to create a power sharing government at Stormont between those who support an all-Ireland republic and the majority loyalist community.

At the Conservative Government edges its way forward to a new Ulster initiative it can best serve confidence and the restoration of peace in Northern Ireland by removing the doubts of the early 1970s. The Conservative Party is still the party of the Union.

JOHN D. TAYLOR,
31 Avenue de l'Armée,
Brussels.
May 19.

Help in childbirth

From Mrs. Merilyn Bourne
Sir, Mrs. Kitzinger's plea in support of midwives (May 13) is admirable, but her attack on hospital deliveries is most extraordinary.

In every other area of medicine today we are, rightly, grateful for the lifesaving care of these "technological centres" to quote Mrs. Kitzinger's ungrateful phrase. It is in childbirth places that have turned childbirth into an event to be welcomed and often envied, rather than to be dreaded because of the previously uncertain outcome.

Who is to know when the normal labour will suddenly become one requiring all the emergency equipment and expertise of a modern obstetric unit? Had I asked for Mrs. Kitzinger's approach, neither of my twins would now be approaching their third birthday.

Mrs. Kitzinger writes of the birth of parental responsibility. Surely the mother's is not to her own firm feelings but to her child, and its safe delivery?

Yours faithfully,
VANESSA BOURNE,
27 Chippstead Street,
London, SW6.
May 14.

'The tell-tale sonnet'

From Professor Muriel Bradbrook
Sir, In his letter (May 13) Dr. Rowe has not perceived that my purpose in commenting on 'The Tell-Tale Sonnet' was only that readers of *The Times* should be better informed on what Shakespeare wrote.

Another interpretation of the Sonnet is at present alive and well on the boards of the Olivier Theatre; I hope Dr. Rowe and others will benefit from hearing what a psychologist's theory is like.

As the whole question of the "Dark Lady" has so very recently been dealt with by a leading biographer, Professor Schoenbaum (in *Shakespeare's Styles*, edited by Edwards, Evans and Hunter), I will not trespass further on your valuable space than by endorsing him.

Yours sincerely,
M. C. BRADBROOK,
91 Chesterton Road,
Cambridge.
May 16.

Yalta memorial fountain

From Sir Bernard Braine, MP for Essex SE (Conservative) and Mr. John Jolliffe

Sir, Following the appeal originally published in your columns in July 1978, the Yalta Memorial has now been set up in memory of those innocent men, women and children who were forcibly repatriated by Britain and her allies between 1944 and 1947, and who suffered imprisonment or death at the hands of communist governments.

Agreement has been reached with the Department of the Environment for the use of a site bordering the south side of Thurloe Square, opposite the main entrance to the Victoria and Albert Museum. Out of a total sum required of £11,000, over £4,000 has already been collected; further contributions will be gratefully received by the Yalta Victims Memorial Fund, c/o Courts & Co., Chandos Branch, 440 Strand, London, WC2.

Yours faithfully,
BERNARD BRAINE,
Chairman.
JOHN JOLLIFFE,
Honorary Secretary and Treasurer,
Yalta Victims Memorial Appeal,
c/o Courts & Co.,
440 Strand, WC2.
May 13.

Au pair regulations

From Mrs. P. M. Leslie and Mrs. N. Pronger

Sir, May we say how very strongly we support the letter (May 6) of the Director of International Youth Welfare on the au pair regulations.

We often think that Richmond is the hub of the au pair movement, and here at the Richmond Adult College we are privileged by the presence of about 500 young people of 19 or 20 nationalities at any one time, who come from all parts of the world.

Any system is open to abuse, but with the careful support of one or two good agencies, and discreet supervision from this college, and no doubt from other schools and colleges in the area, the majority of these visitors are happy and tender

LETTERS TO THE EDITOR

How short-sighted is shorthold?

From the Director of Shelter

Sir, Your leading article, "Too short a view of shorthold" (May 19) raised a number of important questions. However, it would be wrong to lose sight of what in Shelter's view is the central issue. The Government's shorthold tenure proposals are calculated to encourage private owners to let. The price for that cooperation is a denial of the tenant's right to security of tenure. Success or failure of shorthold in purely numerical terms will depend on how attractive, within the context of insecurity, the other aspects of shorthold will prove to be to prospective landlords.

Talk of striking a balance between the interests of tenants and landlords is, in terms of shorthold tenure, hypocritical. The vast majority of prospective tenants, including many single people, want a home, not a shorthold tenancy. They want the right to leave when they choose to, not to be forced out according to some arbitrary cut-off point. Shorthold flies in the face of that need.

The article dwells at length on the question of a possible bipartisan approach to shorthold. The implication, and it is one which has been clearly hinted at throughout the passage of the Housing Bill, is that if the Opposition gave its blessing to shorthold then the Government might look again at its proposals and introduce additional safeguards aimed at preventing exploitation of shorthold tenants. We find this approach most worrying. What it implies is that the Government is fully aware that the shorthold proposals are a desperate expedient, a room for exploitation, and that if the Opposition play ball things can be put right, yet if it does not then the proposals will stay exactly as they are.

In other words, the Government is perfectly prepared to enact a defective law, knowing it to be defective. We find that utterly indefensible. In short it means that, in terms of incentive to landlords, there are two possible approaches. First, a modified form of insecurity, with the landlords' objections cancelled out by the promise of bipartisan continuity; second, a "go

it alone" approach by the Government involving a much worse deal for the private tenant.

Yours faithfully,
NEIL MCINTOSH,
157 Waterloo Road, SE1.

From Mr. C. B. Tonkin

Sir, The Housing Bill has received substantial coverage in connection with the sale of local authority properties and the shorthold provisions, but very little has been said about one of the major miscellaneous provisions: new regulations concerning service charges.

This is a subject that affects tens of thousands of flat dwellers and the Government's original proposals caused landlords, tenants' associations and others involved in this field to protest in a logical manner whilst at the same time suggesting suitable amendments. During the committee stage, the Under-Secretary, Mr. Finsberg, implied that in view of these representations, major amendments concerning consultation, service charges, security of tenants' funds, etc., would be brought forward at report.

These amendments have just been published and great surprise is expressed by all concerned that they appear to completely ignore the powerful representations of those involved in ownership, occupation and management of flats. None of the great promise in committee is contained in these small minor amendments and the whole schedule now clearly shows the complete lack of understanding of the problems by all concerned.

The only chink of hope in this whole matter is the amendment sponsored by the Inner London Conservative MPs, as reported by you on Thursday, May 15. Their new clause is a very welcome and professional way with the whole complex problem surrounding service charges. This part of the Housing Bill goes before the House of Commons for report on Tuesday, May 20, when the group of back bench MPs present their schedule. It is hoped that the House will recognize it as a necessary and to the many basic constituency housing problems and for this reason that it is worthy of support from the entire House.

Yours faithfully,
C. B. TONKIN, Managing Director,
Holding and Management Ltd,
58 Paddington Street, W1.

Israel and Unesco

From Mr. Yehudi Menuhin

Sir, It is with a heavy heart that I take up my pen once again to request the courtesy of your columns, for, in a world so full of tension and anguish in which one feels increasingly helpless, a matter of purely personal concern must seem petty. However, as Mr. Rubinstein's somewhat muddled diatribe (May 16) ranging over the entire unhappy situation of Israel seems in some arcane way to be laid at my door, simply because I was forced by a legally incorrect matter in its book, viz. that I, as President of the International Music Council of Unesco, had actually voted against Israel, furthermore refusing myself to retract what he airily dismisses as "irrelevant," (The President has no vote), he left me with the order to answer and to correct what, if believed in all innocence by those who will read his book, assuredly a bestseller, will amount to a libel.

My respected colleague appears determined to dwell upon the fact that my name, "Yehudi" means "The Peace" and, therefore, he is allowed to widen his knowledge of Hebrew by pointing out that "Menuhin" stems from "Menuha", meaning "Peace".

I may indeed have failed but I did set out in life with the doubtless childish wish to live both my names, to be in fact a Jew who might bring peace to a troubled world by whatever means he could. To me, from the beginning, the problems that beset Israel could only be seen within the larger problems of the entire Middle East and of Europe itself and it was here where Mr. Rubinstein, whom I loved and admired, and others of like mind and I parted company.

My path has been a lonely one and complex, but whatever a "bad Jew" may imply, I do not think I have earned that title, therefore, first splendid President, Chaim Weizmann, have placed me in that category, offering me as he did on my early visits to that brave new land his friendship and the comprehension of his diverse scientific, wise and syncretic mind.

Would it be immodest to cite the more recent of the many acts committed by the Bad Jew? I donated

both my sixtieth birthday concert in New York and one in 1978 to the Jerusalem Foundation, another in aid of Jewish and Arab children, played in Westminster Abbey for the Council of Christians and Jews and gave all my last concerts in Jerusalem gratis.

Israel has honoured me with the third highest medal of its Philharmonic Orchestra and bestowed upon me the Medal of the City of Jerusalem. It was before the Walling Wall of that city that they asked me to play to celebrate the signing of the Peace Treaty between Israel and Egypt. Might that reveal that my esteemed colleague's view of me is both prejudiced and at odds with that of my many Israeli friends?

To my eyes today's world is tinder, growing more dangerously dry with every overly nationalistic gesture and whoever strikes a match in the name of a passionate cause may be guilty of political arson.

Respectfully yours,
YEHUDI MENUHIN
2 The Grove,
Highgate Village, N6.
May 19.

From Mr. Robert Bear

Sir, In his letter of May 16 Arthur Rubinstein describes Yehudi Menuhin as a "fine musician, a great worker, an original stylist, an English language, but in my opinion a bad Jew". I hope Mr. Menuhin will take this last opinion as a rare and wonderful compliment. All too long we have suffered from good Jews, good Germans, good Irish, good Armenians, good Catholics, good Protestants, good communists, good terrorists, etc., etc., not to mention good trade unionists.

How strange and sad that the great Arthur Rubinstein, the ex-patriate extraordinary of the universal language, par excellence, should fail to appreciate the beauty and virtue of the finest, ideal of man, namely universal brotherhood.

Yours sincerely,
ROBERT BEAR,
Stroud Language School,
94 Bath Road,
Stroud,
Gloucestershire.
May 17.

The West and Cyprus

From Professor Hugh Lloyd-Jones

Sir, "Western intervention in the relations between Greece and Turkey has always been disastrous," writes Mrs. Diana Spearman (May 9). So much for Byron? So much for Navarino?

"If the two countries are left alone they find no difficulty in living together," she adds. Like the Bulgarians and the Armenians, the Greeks did encounter certain difficulties in living with the Turks when they had them in their own country; but no doubt Mrs. Spear-

man thinks we should have left them there alone.

"Any return to the kind of government desired by the Greek Cypriots," declares the same authority, "would merely be a return to intimidation, murder and general disorder." It is sad that so many people in this country know too little of Cyprus and of President Kyprianou and his Administration to recognize this monstrous slander for what it is.

Yours faithfully,
HUGH LLOYD-JONES,
Christ Church,
Oxford.
May 9.

A compromise on Burmah BP stock

From Mr. I. H. Benjamin

Sir, The long and plaintive letter, published in your May 10 issue, from the self-styled Action Committee of the Shareholders in the Burmah Oil Co Ltd, appeals me. Litigation is pending between the Company and the Bank of England in which I gather the Company is asking for a return of the shares in BP which it sold to the Bank at a time when such a sale was essential to keep the Company alive. Presumably, such litigation is being conducted by the Board of the Company in a manner to which the Action Committee takes exception.

Whatever may be the disagreement between the Action Committee and the Board I cannot imagine that much notice will be taken of such letters by the Bank or its master the Government, and there is no reason whatsoever why any notice should be taken of such letters which claims that the action of the Government at the time of such sale and its present attitude is unacceptable. An exceedingly bad precedent would be created if the present Government were to accede to the request of the Action Committee for the transaction to be reviewed many years after it took place and the shares either sold back to the Company at the sale price or a substantial amount of compensation paid instead.

The Committee obviously believes that the Company has a difficult case or it would not plead publicly in this way. The Court will decide if the case ever gets to a court, if the Company has a good case and I think the Action Committee should confine its activities to trying to ensure that the Company's Board deal with the matter satisfactorily.

Although I am a lawyer (retired) I will not comment on the legal validity of such claim but, as a person with considerable experience of business matters including stock exchange transactions, it seems to me that the Action Committee are behaving like a bunch of cry-babies. They invest in a company which got into difficulties for various reasons, including, according to the Committee, incompetent management, and it was considered necessary at the time to sell the Company's holding in BP and there was only one buyer, namely the Bank of England which, I agree, was really the Government. Had there been a buyer at a higher price the sale would have been to that buyer. A forced sale through the Stock Exchange would have had disastrous results, not only for the Burmah Company but for all the other shareholders in BP.

Many people had to realize shares or other assets in 1973 but, so far, I have not heard that any of them are seeking to get their sales reversed at the same price. The fact that, in this case, the buyer was the Bank of England makes no difference and, as a taxpayer, I would be furious if the Government gave one penny in compensation unless compelled to do so by a judgment based on facts other than the so far made public, which justify the Court, in law, giving a judgment to that effect.

If any shareholders have a serious ground for complaint it is those in companies, like Vickers Ltd, who are, still, waiting for their compensation for the compulsory acquisition of all or some of their shares many years ago. What is preventing the Government from agreeing what it should pay them?

Yours etc.
I. H. BENJAMIN
17 Ashley Court,
Grand Avenue,
Hove,
Sussex.
May 15.

Violent youth

From Mr. K. W. Lidstone

Sir, As an inexperienced and rather naive policeman I once asked a vastly experienced and rather cynical colleague what powers existed to deal with the kind of that of the Brighton police in removing the bootlees of youths seen as potential troublemakers. While frankly admiring there were no powers he told me in his worldly way that there were "ways and means". The Ways and Means Act, which has no parliamentary approval and is therefore unconstitutional, is one of the most important sources of police "powers," and will continue to be so while correspondents such as Mr. Cummins (May 10) can "read with pleasure" reports of such illegality by law enforcement officers.

I doubt whether the youths who were the objects of the illegal activities of the Brighton police have much respect for the law but it is certain that the conduct of the police did nothing to increase that respect. Rather they were seen to be as disrespectful of the law themselves. Contrast the refusal of the police officer in charge at Scarborough recently to take unconstitutional action which might well have prevented some of the violence which occurred.

I may still be naive in asking who deserves our respect most, the Brighton police who are prepared to act unlawfully in maintaining the law or the Scarborough police who were prepared to risk violence rather than act illegally? Which is the greater risk to society, violent youth or a police force with no respect for the law?

Yours faithfully,
K. W. LIDSTONE,
Faculty of Law,
The University,
Sheffield.
May 10.

Rhodes to freedom

From Mr. A. S. Kalker

Sir, I am a foreign student in the country. I first arrived in Rhodes as a Rhodesian. I then became a Zimbabwe Rhodesian, then a Southern Rhodesian and now I am Zimbabwean. All this in just over a year!

Yours faithfully,
ANTHONY S. KALKER,
Tillingbourne House,
Shalford Road,
Guildford,
Surrey.
May 15.

THE TIMES

BUSINESS NEWS

EXPERIENCE EXPERTISE
AND TEAMWORK
IN CONSTRUCTION
**TAYLOR
WOODROW**

Price rises by Algeria and Libya pose problems for BNOC

By Nicholas Hirst
Energy Correspondent

Libya and Algeria have raised the price of oil by the wake of the \$2 increase announced by Saudi Arabia last week—posing an awkward problem for the state-owned British National Oil Corporation.

North Sea oil is of a similar quality to North African crude and its prices have recently followed the rise in African oil. The Saudi Arabian rise, bringing the price to \$28 a barrel, was intended to aid re-unification of the pricing structure of the Organization of Petroleum Exporting Countries (Opec), to reduce uncertainty and bring some order back into international oil markets.

A decision by the British National Oil Corporation to put up prices would be bound to have an adverse effect on any attempts at moderation at the next Opec meeting in Algiers early next month.

Algeria has raised its price by \$1 a barrel so that, with its \$3 dollar exploration surcharge, the cost is \$38.21 while Libya has increased its average price to \$36.12.

United Kingdom legislation requires that oil bought by BNOC from British companies operating in the North Sea must be at market prices under the participation rules which give the state-owned group access to 51 per cent of output.

Smaller groups without their own refineries are likely to complain and threaten to ask for experts to assess prices under the rules of the participation legislation unless North Sea prices are raised.

Larger groups such as British Petroleum and Shell which have been resisting the price rise of \$2.50 a barrel demanded from April 1 by Iran, have every interest in keeping prices down.

With the International Energy Agency meeting on Thursday to agree new methods of curbing oil consumption, in an attempt to keep the price as stable as possible, BNOC is likely to hold off a decision on rises for as long as possible.

Minister names adviser on denationalization

By Our Industrial Editor

Government plans to denationalize state industries and agencies sponsored by the Department of Industry are to be developed and scrutinized by Mr David Young, chairman of Manufacturers' Hanover Property Services.

Sir Keith Joseph, the Industry Secretary, announced yesterday that Mr Young's brief as industrial adviser to the department for the past year has been extended to that of special adviser with responsibility for denationalization generally.

Mr Young, who is also a director of the Centre for Policy Studies, the research organisation founded by Sir Keith and Mrs Thatcher, joined the department after last year's election.

He has been instrumental in securing substantial private sector contributions to the industry department's advance factory building programme. These funds, totalling £25m, came from Barclays Bank, Legal and General Assurance, and CIL Properties, the National Coal Board's pension fund subsidiary.

At the beginning of last month Mr Young was appointed to the board of the English Industrial Estates Corporation which attempts to secure private investment and which is heavily involved in the advance factory building programme.

Among his main tasks in his new, unpaid role as special adviser, Mr Young will become involved in the Government's plans to return British Aerospace to the private sector. He will be concerned with discussions on the plans to denationalize part of British



Mr David Young: among main tasks will be denationalization of aerospace and shipbuilding companies.

Shipbuilders' interests on which a government statement is expected before the summer recess.

He is expected also to become involved in the new role envisaged for the National Enterprise Board once the Industry Bill is enacted.

Mr Niarchos says British Shipbuilders will only have to pay the reduced price of £13m Shipowner offers 'bargain' tanker back

By Peter Hill
Industrial Editor

Mr Stavros Niarchos, the Greek shipowner, has offered to sell back the oil tanker World Scholar to British Shipbuilders in return for the reduced price he paid for the ship.

His unusual offer was made yesterday in a letter to The Times. It follows disclosures last Tuesday that British Shipbuilders had agreed to reduce the price of the ship to £13m to ensure acceptance of the vessel at the end of last year.

Mr Niarchos said in his letter that implications of the Niarchos group taking unfair advantage of the British taxpayer were incorrect.

The contract between British Shipbuilders and Niarchos involved a cash deal for the ship and included the right of cancellation if the ship was not delivered by the end of last year.

He said that when it appeared that the ship could not be delivered by the end of the year, the contract group was invited to renegotiate the terms. An acceptable commercial solution was found and Mr Niarchos said he was at a loss to understand the interest that the transaction had aroused.

"In order not to be accused of taking

advantage of the British taxpayer I would be quite prepared to reverse this purchase and return the vessel to British Shipbuilders against repayment to us of the reduced amounts which we have paid to British Shipbuilders for acceptance of the vessel and forgoing interest since delivery of the vessel."

British Shipbuilders had no comment to make last night on the offer.

The World Scholar was built at the Scott Lithgow subsidiary of British Shipbuilders on the lower Clyde and was one of two sister ships bought by the Niarchos Group.

Ten years ago Scott Lithgow formed two shipping subsidiaries, Carlsdyke Shipping and Adamantine Shipping. Through them it ordered the two tankers from Scott Lithgow to take advantage of the available shipbuilding investment grants.

Subsequently the contracts were taken over by the H-fared Maritime Fruit and the H-fared Maritime Fruit.

A contract price of £17m was agreed on the World Scholar with a £5m subvention coming from the Labour Government via the new shipbuilding intervention fund.

British Shipbuilders decided to agree to the demands for a £4m reduction price at the end of last year against the background of legal wrangling over the interpretation of new anti-pollution measures.

The ship was to be registered in Liberia and the Liberian authorities insisted that they would not accept for registry after January 1, 1980, any tanker that did not incorporate segregated ballast tanks to minimize the pollution risk.

The World Scholar does not have such tanks and there is still wide legal disagreement over the interpretation of amendments to the Inter-Governmental Maritime Consultative Organization's safety convention.

British Shipbuilders thought that it was cheaper to agree to the sale at a bargain price rather than be left with a ship, which it claims, would cost millions to modify.

But other tanker industry experts believe that the World Scholar with her more economic diesel engines could have attracted a much higher price.

Since the disclosure of the agreement there have been demands for the terms of the deal to be investigated by Parliament's public accounts committee.

Business Letters, page 18



Mr Niarchos: at a loss to understand the interest aroused by the transaction.

CBI gets ready for next round of pay claims

By Patricia Tisdall
Management Correspondent

The Confederation of British Industry is to have discussions with members to prepare a strategy for the next round of pay claims. The talks are due to start at the end of June.

The discussions will mirror those taking place in the Cabinet over pay in the public sector. The CBI is anxious to avoid setting a "going rate" for pay claims, even in the private sector.

Instead, it believes that wage claims should be settled according to companies' ability to pay even though this may lead to fragmented negotiations.

They are very conscious that the next pay round will be the first under the present Government which will be unfettered by public sector pay commitments left over from the previous administration.

Once employers' internal attitudes to pay have been clarified, the CBI will be in a stronger position to put its case to the Trades Union Congress.

Leaders of the CBI and TUC are already engaged in formal discussions, aimed at producing joint guidelines for new technology negotiations.

Concern about the present level of pay settlements is expressed by the CBI council which is meeting tomorrow.

The last set of results from the confederation's databank shows that while last year's measures were for pay increases of 15 per cent or less, almost 40 per cent were for between 16 and 20 per cent and 10 per cent were for more than 21 per cent.

The CBI said the figures suggested that "ability to pay" was exerting a progressively stronger influence on the level of settlements as the current negotiating period proceeds. It hoped that this process would continue into next year.

Sir Raymond Pennock, who takes over as president of the CBI tomorrow, is keenly aware that most employees lack understanding of the economic factors that should determine the size of pay increases.

Many of the proposals for reform of pay determination mapped out by the CBI in 1977 are still considered valid. It recognized then that change must be voluntary and gradual and based on an unequivocal commitment on all sides.

The proposals emphasized the risks that mentioning a figure for a target rate of increase for future pay settlements should automatically set a "norm" and a minimum in many cases.

This is one of the strongest arguments against the formation of any sort of national forum "designed to keep general expectations at a realistic level."

The idea of a new national forum has been shelved for the time being but may be revived if it is believed it can work effectively without setting target figures.

Inmos presses for £25m state 'commitment' on UK factory

By Kenneth Owen
Technology Editor

About 100 American and British employees of the National Semiconductor Corporation subsidiary could become millionaires if the company succeeds. Members of Parliament were told yesterday.

The three Inmos founders could gain about £6m each if they sold their shares in the firm.

These figures were given to the all-party group on information technology in a spirited defence of Inmos by Dr Richard Pettit, head of the company's United States operations and who was referred to as Dr Pettit.

Before Inmos could go ahead with its first British factory, it needed a commitment from the Government, Dr Pettit said. He was referring to the second tranche of £25m state support, which the NEB has approved

but which Sir Keith Joseph, Secretary of State for Industry, is still considering.

Architects had started designs for the factory, which Inmos planned to locate in Bristol where its technology centre is already based, but their work was stopped about a month ago.

Integration of design and production centres at Bristol was essential, Dr Pettit told the MPs, if Inmos was to create "a real technological capability in the United Kingdom."

Dr Pettit listed five benefits which he believed Inmos would bring to the United Kingdom. They were: a high value industry for a "minimal" investment of £50m; create over 3,000 jobs by 1984 and more thereafter; and make a contribution to exports of £8m a year by 1984.

American prime rates show further fall

From Frank Vogl
US Economic Correspondent

Washington, May 19
Morgan Guaranty Trust Company in New York today cut its prime lending rate to 16 per cent from 16½ per cent, while the Chemical Bank of New York reduced its mortgage lending rate to 13½ per cent from 14 per cent. The prime rate has now fallen by 4 per cent in the last five weeks.

In a newspaper interview, President Carter made a set of optimistic predictions for the economy but said there was no possibility of a tax cut being seriously considered this year.

Pressures in Congress for fiscal stimulus may well mount in coming months as the recession deepens. New government measures to reduce the unemployment level have been announced.

The Department of Commerce reported that personal income in April rose by only \$500m (£219m) which is the smallest monthly rise seen in five years and compares with a gain in March of \$14,000m.

Wages and salaries last month declined by \$8,800m after a rise in the previous month of \$8,400m.

The Federal Reserve Board announced that capacity utilization levels in American factories—an important measure of how busy manufacturers are—fell to the lowest level in more than three years in April, with the rate down to 81 per cent, compared to 83 per cent in March.

President Carter told the Los Angeles Times that he saw no further big increases in unemployment in coming months. The jobless rate is 7 per cent and many private economists expect it to be at least 8 per cent by the end of the year.

The President said he expects the annual rate of inflation, now around 18 per cent, to be down to 10 per cent by the time of the Democratic Party's conference in early August.

The president, who expects to be the Democratic Party's candidate in the November election, said, "We are talking about maybe an eight per cent lower inflation rate."

He acknowledged that the rate would depend significantly upon oil price actions taken by the Organization of Petroleum Exporting Countries. But he stressed that, "My prediction is that they (Opec) will keep to just a moderate growth in oil prices."

Mr Harry Taylor, the British vice chairman of Manufacturers Hanover Trust Company of New York, suggested that the pace of interest rate declines will slow now.

He said this will be the case "if for no other reason than the markets already have discounted the steep drop in the money supply which the Fed clearly has not wanted and which it will be working to reverse."

Some further declines in rates, notably the prime rate, are widely expected, however. Morgan Guaranty's today cut its prime to 16½ per cent from 17 per cent but most banks will probably be down to Morgan's 16 per cent rate within a week.

An influential Fed system leader, Mr Lawrence H. Roos, president of the Federal Reserve Bank of St Louis, said in a speech in Fulton, Missouri, that he is confident the Fed will attain its money growth targets this year.

As the Fed remains on target and moves over time to further curb money stock growth, so inflationary expectations will recede and interest rates will continue to decline.

He argued that the actions of the Fed in keeping a better reign on the money supply in recent months and the adoption reason for optimism that monetary policymaking has finally turned the corner and will be a more successful tool in coping with inflation than in the past."

Three-day week at MG plant

A further sharp decline in the already depressed American car market combined with the falling dollar has forced BL to announce an extended short-time working for its MG sports car plant at Abingdon near Oxford.

From June 2 BL will cut production from 600 cars a week to 381 by introducing a three-day week for all 700 assembly workers and by slowing the track speed.

Last night BL said these steps were being taken because of the continuing drain of financing the very high stocks of unsold MGs in its American showrooms. Short time would continue until the end of September when it would be reviewed.

This further setback to MG, which sells 80 per cent of its production in the United States, has cast doubts on the outcome of the deal being finalized for a consortium led by Aston Martin to acquire Abingdon and produce the MGB under licence.

Last night Mr John Symonds, chief executive of Aston Martin and a former BL director, insisted that the cutback announcement would not affect the outcome. "The negotiations are continuing," he said.

The Council for the Securities Industry yesterday welcomed Mr Nott's remarks, but suggested that if the steps taken did not produce the desired results, the Secretary of State should reconsider their proposals for the appointment of one or more full time inspectors.

Mr Nott said that in the interests of efficiency, the appointment of inspectors should be confined to cases in which the information necessary for decisions on prosecutions, or petitions to wind up the company, could not be achieved by examination of the company's books and papers under section 109 of the Companies Act 1967.

One-year limit for inspectors' inquiries

Department of Trade inspections should in future be completed within 12 months of the inspectors' appointment according to Mr John Nott, Secretary of State for Trade.

He revealed in a parliamentary answer yesterday that this was the principal change to be introduced after his department's review of appointing independent investigators into a company's affairs.

His review, which initially ran in parallel with another by the Council for the Securities Industry, has drawn heavily on the council's results which were published last December. The department's review started in response to criticism of its investigations, on the grounds of the delay in completing them and their fairness.

Mr Nott said that in future inspectors, who have previously had no timetable, would be expected to produce their report (or at worst an interim report) within 12 months.

In the interests of speed, the department would indicate to inspectors the particular matters for which a report was wanted; inspectors would not so frequently be drawn from the most senior members of the bar, who had heavy commitments elsewhere.

Mr Nott said inspectors would have "full support in taking a firmer line with witnesses" who made difficulties about appearing before them. He explained that witnesses might be liable to prosecution for contempt.

In an attempt to allay the criticism of the investigations on the ground that they are unfair, Mr Nott said that the department planned to publish the guidance notes it issues to inspectors.

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Financial Editor, page 19

MANAGEMENT AGENCY & MUSIC LIMITED

(Registered in England No. 946978)

To the Ordinary Shareholders:

INTERIM STATEMENT

The profits of the Group before taxation as shown by the unaudited accounts for the six months ended 31st January, 1980, amounted to £1,369,769, compared with £1,408,873, for the comparative six months last year.

	Six Months 31st January 1980	31st January 1979
Turnover	£10,423,406	£8,777,777
Pre-tax Profits	1,369,769	1,408,873
Corporation Tax at 52%	712,280	732,514
Interim Dividend	637,489	676,259
	210,595	185,135
Unappropriated Profit Carried Forward	£446,894	£491,124
Earnings per Ordinary Share	8.74p	9.18p

The interim profits reported above are in line with those anticipated by your Board for the first half year. However, rising costs are having an adverse effect on current profitability and, whilst turnover continues to increase, your Board is of the opinion that the profits for the full year will now be somewhat lower than was anticipated.

Notwithstanding that a reduction in profits is now expected for the current year your Board has today declared an interim dividend of 2.8 pence per share (1979-2.5125p) and would expect to recommend the maintenance of the final dividend at least at last year's level.

The interim dividend will be paid on 16th July, 1980, to shareholders registered at the close of business on 16th June, 1980.

Peter Hill

Stock markets

Ind 433.8 down 1.5
Gilt 67.61 down 0.14

Irishling
2835 down 5 pts
ex 73.2 up 0.1

Illar
ex 85.5 unchanged
1.8010 up 60 pts

Id
14.50

ney
south sterling 174-17
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south Euro 5 114-114

Friday's close

N BRIEF

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papers were suspended
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pany's board, headed by
per Murdoch, was in
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business, already the
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as which could attract
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n up 13 pc
s visitors to the
ingdom reached 2.1
the first quarter of
a 13 per cent increase
year's comparable
then bad weather and
disrupts his travel.
overlying trend is up,
tment of Trade says.

is dollar link
cutting the link bet-
rial and the dollar,
instead peg its cur-
pential Drawing Rights.

ance rise
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June 9 Mr Norman,
e Minister of Trans-
ce will rise by £20 to
the certificate of fit-
ness, by £10 to

1 decision
vernment is expected
decision on the future
fast shipbuilding com-
Harland and Wolff
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nd new orders, and
stood that £22m of
given last year has
ally exhausted.

up £119m
ports to Norway
£650m in 1978 to
1979, an increase of
it was announced
Norwegian trade talks
Imports fell back
from £1,445m to
About two thirds of
was accounted for by
s, mostly taken from
and Ekefors fields.

stimates
estimates of oil pro-
the British North Sea
ld are premature, a
for the operator
Petroleum UK said,
nouncing on reports
uses of 1981 produc-
have been revised to
nearly a day from

's trade
s trade deficit nar-
a preliminary 200m
bout £21m in April
in March and com-
h a 600m surplus in
the central statistics
Stockholm says.

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Boyle Committee told that awards should follow private sector line

Pay reforms sought by state industry chiefs

Fundamental reforms of machinery used in setting salaries and appointing board members to state corporations have been urged in a detailed memorandum submitted to the Top Salaries Review Body.

The TSRB, under the chairmanship of Lord Boyle of Handsworth, is due to submit a report to the Prime Minister within the next few days which is expected to recommend updating of increases to nationalized industry chairs, board members, the judiciary and senior members of the armed forces.

However, in submissions to the Boyle Committee for consideration in the preparation of its latest report, the Association of Members of State Industry Boards said the TSRB's recommendations should be binding as an arbitration award.

The association said that in

the interests of management motivation in the public sector, it was desirable that there should be some departure from the traditional "horizontal comparability" of salaries between public and private sectors of industry.

This could be achieved by indicating sufficiently wide salary ranges for each industry which took account, not only of their size, but also their different "differential" problems.

While the association said it supported the continuation of the TSRB's responsibility for determining the salary of chairman of State industries, it suggested that there should, in the longer term, be a change of the procedure.

Executive board members and full-time members of subsidiary boards, it suggested,

should be employed by and paid salaries as senior officers in their own industries and should receive supplementary payments as board members.

The association has urged that the salaries for board members should be decided by the chairman and part-time board members of the nationalized industries.

They would take account of the chairman's salary and the rates prevailing in comparable industries. This, the association said, would correspond broadly to the practice in private industry.

In its submission the association said: "We consider that the public interest would be protected in such circumstances by the constraints of the chairman's salary and that more logical salary relationships, better management motivation

and better organization in each industry would result."

The memorandum also noted the problems caused by compression of salaries and the overlap between board members salaries and those of senior management personnel reporting to them.

This compression of differentials had already led



Morocco grants 5 oil search permits

The Moroccan government has granted five oil prospecting permits covering 21,798 square kilometres of north Morocco to a group composed of the French company Elf Aquitaine, the Franco-Moroccan company Societe Cherifienne des Petroles, and the state mining agency, Bureau de Recherches et de Participations Minieres, according to the latest issue of the Government Gazette in Rabat.

Valid for four years from April 16, 1980, the five permits are located in the Rharb Basin and the Pre-Rif area north of Rabat, and include offshore permit between the Sebou and Loukos river estuaries.

Bonn textile orders

Orders placed with the West German textile industry were up a price-adjusted 3 per cent in the first quarter of 1980, compared to the first quarter of 1979, the Textile Industry Association reports from Frankfurt.

Link with Singapore

In the past five years, Norwegian investments in Singapore more than doubled, and last year, for the first time in 10 years, the balance of trade in Norway's favour was halved. Norway hopes for greater co-operation with Singapore in offshore exploration.

Deficit narrows

France's seasonally adjusted trade deficit narrowed sharply in April to 2,044m francs (about £216m) from 5,849m francs in March, the external trade ministry says.

Five-day campaign

Australia's 500,000 metal workers this week start a five-day campaign aimed at reducing their working week to 35 hours from 40. Metal workers plan to work only 35 hours next week and claim payment for 40, union sources said.

French car sales up

New car registrations in France increased by 13.5 per cent in April to 213,000 units, according to preliminary trade reports.

21-nation energy agency plans to combat oil price explosions

Cooperation sought to cut fuel usage

By Nicholas Hirst
Energy Correspondent

Ministers of the 21-nation International Energy Agency (IEA) meet in Paris this week to decide on new systems to combat a repeat of the 1979-80 oil price explosion, which doubled the price of crude supplies.

A report prepared by Dr Ulf Lantske, the director of the agency, setting out detailed recommendations to reduce oil consumption in member states, will be before the energy ministers, who are expected to agree to a communiqué exhorting member states to take its advice.

It will be the first time that internationally agreed recommendations have been made for individual countries to change their energy policies; and it is regarded by officials as being an important new step in co-operation on the reduction of oil usage.

Ministers are also expected to agree to a system for dealing with the kind of crisis which developed during the past 18 months. This is regarded as being substantially

different from the previous 1973-74 crisis which led to the creation of the IEA. The emergency oil sharing scheme then devised to meet a possible embargo similar to that imposed by Arab nations after the Yom Kippur war proved to have little relevance to the events following the cutback in Iranian production.

Prices doubled, but the shortfalls in supplies never triggered the automatic IEA sharing system.

A new scheme to counter future attempts at a big price boost has been developed. It involves implementing statistically detailed import ceilings throughout member states to reduce demand for oil and so limit the ability of the Organization of Petroleum Exporting Countries to impose price rises. Some countries are pushing for an announcement in Paris that the event of a "sub-crisis" such as occurred after the Iranian revolution, ministers would meet to agree new, stricter import ceilings. Others, more cautiously, want the commitment to be simply that ministers could agree to meet

on whether to agree to ceilings. There is considerable doubt as to whether the international political will is present for import ceilings to work sufficiently well to nullify Opec's ability to raise prices.

Opec itself, meeting in Algiers in the second week in June, will be watching developments closely.

The Lantske recommendations result from a study of oil use throughout member states which examined the possibilities of substitution of coal for oil in electricity generation, the raising of oil prices to reduce consumption, and the United States and the Netherlands, particularly, should reduce oil-fired electricity generation, that the United Kingdom and Germany should consider importing coal, that Norway and the United Kingdom should encourage the collection of natural gas, that in Canada and the United States oil prices should be raised, and that natural gas pricing should reflect its value as a premium fuel.

Recommendations agreed by IEA ministers are expected to

be less pointed than Lantske's suggestions, but nevertheless carry sufficient weight to influence individual legislatures into pursuing policies which would reduce oil imports.

The United States, however, is expected to press once again for reductions in the 1980 import ceilings agreed by member states at their December meeting and in the import goals for 1985, as well as for new targets for 1990.

Other countries are unlikely to agree with the United States, but targets for 1990 may be agreed. At the EEC Council of Energy Ministers' meeting last week it was agreed that the EEC Commission should monitor progress on an intention to limit energy growth to 70 per cent of the growth in gross domestic product, to reduce oil to 40 per cent of primary energy supply and that electricity generation be fuelled by at least 70 per cent from non-oil sources.

A similar formula may be agreed by IEA ministers to replace the oil import targets which are now the main plank of IEA policy.

Joint computer venture for oil exploration

Innovative computer systems designed to assist in oil exploration are being developed jointly by the British National Oil Corporation and International Computers.

A project team has been set up by the two companies in Glasgow, and BNOOC has ordered one of ICL's Distributed Array Processors (DAP), which is claimed to be more powerful than any conventional computer in use.

The DAP will be linked to a large ICL 2976 computer, and both will be installed in BNOOC's head office in Glasgow in September. Total value of the installation is about £2.5m.

The team at Glasgow will develop a range of systems for the oil industry which will be used by BNOOC in their own operations and marketed by ICL throughout the world. The systems will take advantage of BNOOC advances in exploiting its United Kingdom offshore interests, and a substantial export potential is foreseen.

A new approach to computer design has been adopted in the Distributed Array Processor. The store or memory has been subdivided into an array of small elements, each of which is provided with its own miniature processor. In the resulting system a large number of calculations can be done in parallel, and very high processing speeds can be achieved.

For BNOOC, the power of the DAP will be applied to the problem of simulating oil reservoirs in the North Sea, and to other technical problems. As

a priority, the joint project team is converting existing reservoir engineering simulation models for processing on the 2976 DAP combination.

The Distributed Array Processor has a total of 4,096 storage and processing elements. Its design won an ICL Research and Advanced Development Centre award, led by Dr S. F. Reddaway, one of the British Computer Society's 1979 awards.

Presented last month, this award was in the Society's Category 1, which is for achievement in the technical development of computing. Examples of large computing jobs for which it is suitable were quoted on that occasion as applications in nuclear reactor design; network studies for gas, telephone or other networks; and image processing and pattern matching.

ICL's first production-version Distributed Array Processor was delivered recently to Queen Mary College, London, where it will be used for future development of parallel processing systems. The BNOOC order is the second to be received, and a third is expected from the Science Research Council.

Vulnerability of pipelines

More failures would be prevented by better inspection of pipework immediately after

construction than by inspection of them regularly during the lifetime of a chemical plant, according to Mr Trevor Klez, safety adviser to Imperial Chemical Industries.

In his address to the fourth international conference on pressure vessel technology, held this week in London and attended by experts from all over the world working in the field of oil, petrochemical and nuclear power, Mr Klez highlighted the vulnerability of pipelines.

Technology News

According to his paper the most devastating explosions are due to pipe failure. The majority of materials handled in the oil and chemical industries are not in themselves explosive but are when mixed with air or oxygen in certain proportions. That factor makes the pipe a very critical section of any plant construction.

Since the Flixborough explosion of 1974, when 28 people lost their lives, Mr Klez believes, the emphasis of published papers has been on how to handle leaks of gas and vapour, how they disperse in the atmosphere and how they behave after ignition. In contrast, little attention has been paid to the reasons why leaks occur and what might be done to prevent them.

Mr Klez, who is also Industrial Professor at the University of Technology, Loughborough, collated reports from 67 incidents of leaks causing vapour explosions which occurred in various parts of the world.

Of these, 34 incidents resulted from some problem in the pipe work. That proportion led the professor to study a further 29 cases, of which 50 per cent took place in the United Kingdom.

Those cases when studied closely revealed that corrosion, control operations and failure on equipment resulted in few incidents of pipe failure. However, better specification or inspection of construction work would have, according to the professor, been the most effective way of preventing the 19 pipe failures that had occurred.

Although the Health and Safety Executive has recently proposed legislation making regular inspection of vessels and pipework compulsory, the construction stage, the professor emphasizes, is the most crucial.

Kenneth Owen and
Bill Johnstone

Port of London

Government aid to meet severance costs in the Port of London is £35m and not £30m, as stated in *The Times* Business News on Saturday.

LETTERS TO THE EDITOR

Greek owner makes an offer to British Shipbuilders

From Mr Stavros S. Niarchos
Sir, It is with some interest that I read your reports of May 13 and 15 concerning the delivery of World Scholar which seems to imply that my group have taken unfair advantage of the British taxpayer. This is not so and was never the intention.

The facts are that a contract was entered into with one of British Shipbuilders' yards for the construction of a vessel of about 260,000 dwt on a cash during construction basis. Among other conditions including substantial payments during construction were a delivery date and a right of cancellation in the event of the vessel not being delivered by

December 31, 1979, under certain conditions. Towards the end of December of last year it became apparent to British Shipbuilders that the vessel could not be delivered in accordance with the contract by the cut-off date referred to above.

Under the circumstances we were invited to renegotiate and as a result we achieved what was considered at the time a mutually acceptable commercial solution. In my experience this is a normal business practice internationally and I am somewhat at a loss to understand the interest that this transaction has aroused.

In view, however, of the implications referred to in the first sentence of this letter and since I do not consider myself

a lesser developed have I ever made some times offered to developed countries order not to be securing advantage of I taxpayer, I would be pared to reverse this and return the vessel Shipbuilders against to us of the reduce which we have paid Shipbuilders for the of the vessel and to test since deliver vessel.

STAVROS S. NIARCHOS
Villa Margaux,
St. Moritz,
Switzerland.
May 19.

Taking a practical look at interest rates

From Mr A. Verdin
Sir, I see that the letters (May 6) deriding my views on interest rates are from a financier and an academic. Perhaps this underlines the different views of capital taken by those who use it and those who manipulate or talk about it.

I read these in Munich, where I had been surprised to see the extent of new business activity. Inquiring from a German colleague I found that money can be borrowed between 8-11 per cent and he had recently purchased a house with a 5 per cent mortgage. From an American in a similar position I found that loans for specific investments can be obtained in Massachusetts at 8 1/2 per cent. Perhaps someone else could research the rest of the world.

Very limited funds were available here from the Council for Small Industries in Rural Areas, whose help I acknowledge, but I understand that this useful organization has been severely curtailed.

My company is successful growing and it should be clear that I am not in business purely for financial gain. I need neither help with my sums nor a scapegoat, just a reasonable source of finance without strings for further expansion and new projects. I know I could get better terms in the far North or West, but I have sound practical reasons for running this business in Oxford and I repeat I would receive more encouragement nearly anywhere else in the world.

So much for practice; I cannot match the theoretical resources of either critic, although from past evaluations of economic predictions in random guess is as likely to be correct as any of our views. Professor Flew believes that inflation requires high interest rates. I believe that a high interest rate is a major cause of inflation.

In simple terms, if I have to put more interest I have to increase prices and also potential productive investment becomes less attractive. It may be worth more in the end but in the meantime it has to be paid for. I do not "wrestle" pounds of one year as if they were of equal value with pounds of the next, but see money as a convenient means of exchanging resources, goods and services, and try to see that I produce more than I consume.

I know of no natural law which says that idle, non-risk capital should necessarily maintain or increase its value (and, according to Mr Harrison, it never has). The government set interest rates (why do they not rise naturally with inflation); if they were lowered inflation will fall. Yes, I can see that if interest rates are below inflation it will pay to borrow and buy something like gold, but it is possible to legislate for that without crippling wealth-producers.

Yours faithfully,
A. VERDIN,
Managing Director,
Analysis Automation Limited,
Southfield House,
Lynsham,
Oxford OX8 1JD.

Unsolicited mail: how can one stop it?

From Mrs Valerie J. Sir, Since moving to a new house, I have been bombarded by a large mail-ordering me to be "agent". At last, after daughter described soft-soaping letters tempted by offers of gifts, I ordered a from their catalogue to obtain these, I some rather person including my husband tion.

The answers came to the firm's satisfaction, today a further "ci come saying that th after all, want me fo No reason was given left wondering whe sort of secret blackl rained by these or and if so, what is i This firm is now in of private informa myself and my fami propose to keep it on and if so, can I d about it?

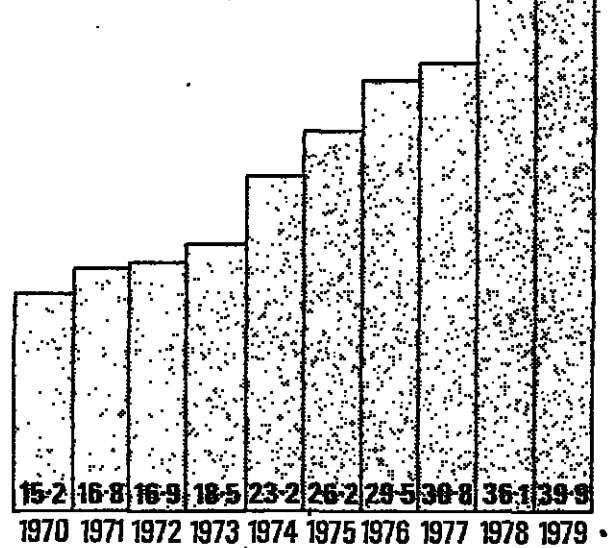
Can your readers ways in which I c further information, cited mail from this firms coming to me computer must be at some point. Yours truly,
VALERIE HAYNES,
Brow,
New Lane,
Skelcook Green,
Halifax HX3 0TE.

Telephone Rentals

LIMITED
Incorporating
DICTOGRAPH TELEPHONES LIMITED
OPERATING TR SERVICES

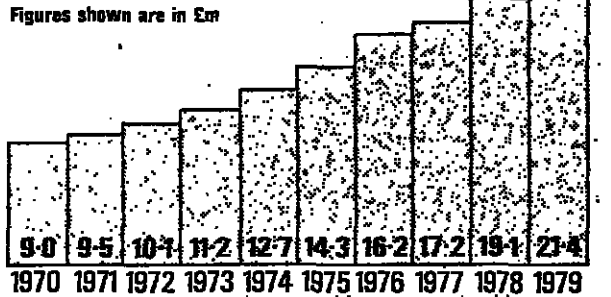
TURNOVER

Figures shown are in £m.



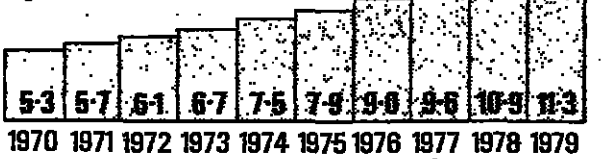
RENTAL REVENUE

(Included in Turnover)
Figures shown are in £m.



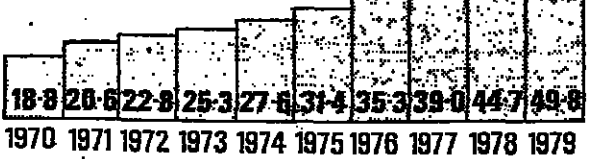
GROUP PROFIT BEFORE TAX

Figures shown are in £m.



ASSETS EMPLOYED

Figures shown are in £m.



CONTINUED PROGRESS DESPITE DIFFICULTIES

Mr. E. H. Cooper, the Chairman, reports:—

* Group Profits for 1979 after Depreciation but before Taxation and Extraordinary profits were £11,271,002 which although constituting a further record are only slightly ahead by 3.2% on the previous year. These results are satisfactory in the difficult circumstances prevailing through the year but they are disappointing and much lower than had been anticipated if circumstances had been normal.

* Directors recommend an increased Final Dividend of 5.7p per share (4.8p) making a total of 7.5p per share (6.52p).

* In terms of new rental business taken during 1979 the Group performed very well indeed and new records were established. New sale business secured did not match 1978's record results but was, nevertheless, the second highest so far achieved.

Future Prospects

* For the first quarter of 1980 both new rental and sale business secured throughout the Group were well in advance of 1979's results at this stage, although it would not be surprising if some falling-off occurred towards the end of the year.

* Provided that the Group and its suppliers remain free from both internal and external industrial disputes your Board is confident that 1980 will be a successful and encouraging year.

Meeting 12th June, 1980.

Dividend payable 7th July, 1980.

TR Services include PABX and Internal Telephone Systems
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HEAD OFFICE
TR House, Bletchley,
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BANCA NAZIONALE DEL LAVORO

1979

The Annual Report for the Bank for the year 1979 was approved at the Board of Directors meeting on April 30, 1980.

In this report, the Managing Director and Chief General Manager, Prof. Alberto Ferrari, gives an overview of developments in international financial markets in the past year and stresses the effects of interest rate escalation. In this connection, the dangers are foreshadowed of an excessive accumulation of liquidity in the hands of oil-producing countries and of further growth in the external indebtedness of L.D.C.'s. The need is stressed for a greater participation of international organizations in petrodollar recycling and for a bigger role of European Banks in this process.

As regards domestic developments, the BNL report notes the sustained rate of growth in 1979, underpinned by rising exports, a good tourist season and brisk consumer spending.

The strong demand for credit was kept within bounds by rigid quantitative controls and by the sharp rise in the discount rate in the last quarter of the year. Shifts of deposits into Treasury Bills became inevitable owing to the attractive conditions offered by such issues.

MAIN DATA FROM

BALANCE SHEET

(in millions of US dollars)*

LIABILITIES	BNL-Sections
Capital and Surplus	1,482.3
Deposits	39,634.4
Balance Sheet Total	74,027.1
ASSETS	
Cash and Banks	7,518.8
Securities	9,143.3
Loans to Customers and Correspondents	24,814.0

*Equivalents of the Italian Lire amounts converted at the year end official rate of exchange.
Percentages based on US dollars amounts.

BNL's activities continued to expand rapidly. At the end of 1979, deposits from clients and correspondents amounted, for the bank, to US dollars 35,186.3 million, or 23.8% more than a year earlier. Total deposits for the entire BNL-group amounted to US dollars 39,634.4 million (+22.8%). Loans to customers and correspondents increased by 27.1% for the Bank, and by 24.9% in the aggregate for the BNL-group.

Securities held in the Bank's portfolio (including Treasury Bills) were US dollars 9,072.1 million. At the end of 1979, the BNL-group balance sheet total amounted to US dollars 74,027.1 million. As a reserve for credit risks, BNL set aside in 1979 US dollars 160.4 million. The Bank's net profit for the year was US dollars 15.9 million, and that of the Group US dollars 34.4 million.

The Bank continued to devote particular care to the export sector and expanded its activities in international financial markets. BNL's foreign network experienced a lively expansion. The cooperation with the ABECOR group was strengthened.



LONDON BRANCH
33/35 Cornhill, London
EC3V 3QD

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Madrid, New York.

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N.V.
Luxembourg, Banca Nazionale del
Lavoro Holding
Lavoro Bank International
New York, T.I.C.—The Italian
Economic Corporation
Zurich, Lavoro Bank A.G.

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Janeiro, Sao Paulo, Singapore,
Sydney, Tehran, Tokyo.

HEAD OFFICE
Via V. Veneto, 118—Roma.
(International Department: Via V.
Veneto, 88—Roma)

مكتبة الأصل

BY THE FINANCIAL EDITOR

Mr Nott on the horns of a dilemma

Completed his own investigation into the Trade Investigations, the Minister, Mr John Nott, had relatively little to offer yesterday to any of those who consider themselves under the present system. Only one of immediate significance is to be used, in the shape of a requirement that inspectors should report within a month, there is no time limit on visits, and reports can come out a year after the inspectors first visit, by which time they have all of a toothless chihuahua. The ill undoubtedly make the reports want, and probably increase their value. But this apart the Secretary of Trade finds himself impaled, like a sword, on the horns of a dilemma: reconcile the conflicting claims of efficiency.

On the one hand, a gesture in the direction of making the guidance notes provided by inspectors, so that witnesses before some idea of the methods by which they approach their task, and the exercise of great restraint when critical comment is made, is a failure to exercise principles may jeopardise the report. On the other hand, if inspectors are to be given more freedom, they will be able to do more, but they will also be able to do more. The department is to be directed to investigate powers under the 1974 Act, in place of the present investigation, the likelihood that there will be fewer of them. The department is again in a state of speed-to-look-for legal below the first rank of QC, who are to devote more of their time to investigation than their more rethoric.

Aguered

Figures from Readcut Inter-underline once again the dramatic of the United Kingdom carpets. Although Readcut's results show halved profits at £4.6m pre-tax, aguered carpets division reports a loss of £943,000 to £183,000. Carpets, both interdependent, are being particularly hit by a combination of inflation, sky-high interest rates, and competition in a home market where the edge of one of the worst hit. Industry that is used to bumpy stop-go policies of successive governments have resigned it to. But this time the outcome could be different. The carpet business this recession is something of a watershed. Some of the weaker and more firms—some of them actually will go to the wall but also because quite clear in what shape will be when the recovery comes and eating space to rebuild finances. ngly, the industry has been and adaptable and the larger firms sell with international competition. is not that much room for more reduction methods.

RUST

Proceedings against BAT and its paper subsidiary, Appleton over annual report, which shows BAT user to its avowed aim of a 60-40 tobacco and other interests. in straight sales terms. BAT its target last year with tobacco

accounting for 59 per cent of the total. But as yet BAT is achieving nothing like the return on assets from other operations as it is in tobacco operations, which still managed some growth last year despite a decline in the major US and West German markets.

Operating profits of £329m represent a return on tobacco assets of 17 per cent against £196m, or just over nine per cent on other assets.

Significantly, the latter figure would have been a good deal lower but for a strong improvement in paper, much of it due to Appleton, helping lift operating profits to £81m or 15 per cent of assets.

Clearly, a long-drawn out wrangle with the United States authorities during which BAT's American expansion could be curbed will not help long-term objectives of lessening dependence on a declining tobacco market.

Otherwise, though, there is much to suggest that BAT does not quite deserve the "limbo" rating—an 11 per cent yield



Mr Peter Macadam, chairman of BAT Industries.

and p/e ratio of under 4—it has been accorded since its "currency hedge" status was scuppered by sterling's strength. Non-tobacco acquisitions including the other half of Mardon Packaging have only marginally lifted the overall borrowing ratio from under 50 to 52 per cent of shareholders funds although one-year debt has more than doubled to £462m.

Meanwhile, unfashionable though they may be, the tobacco operations still show their worth in cash flow strength which shows through in current cost profits for 1979 of £378m compared with a historic total of £443m.

Indeed, very few companies can boast like BAT of a dividend payment three times covered by inflation adjusted earnings.

H Samu

Coping with the gold price

It is a tricky time for the jewelry trade. Before long the higher gold price will begin to show through in shop prices, while at the same time pressures are mounting on consumer spending.

For the moment, however, H. Samuel, one of the largest jewelry retailers, looks well placed. Profits last year were a comfortable £1.5m up at £14.9m; sales rose from £65.1m to £73.4m, which apparently reflects a fair volume gain. At 210p the ordinary shares yield 4.25 per cent.

But H. Samuel also admits that it is difficult to see what the outcome for the full year will be. Shops are still stocked with items ordered as far back as last September, since when the price of fine gold has doubled to about £225 an ounce.

The company's high liquidity, combined with its large turnover, means big orders can be placed with manufacturers, thereby keeping prices down.

Most of H. Samuel's gold sales are 9 carat; despite high mark-ups, reaching 100 per cent in some cases, the trade claims that after including costs associated with holding jewelry in stock for many months, real retail margins are not wide.

This suggests that room for cutting margins or quality is small. Instead, the trade, and especially retailers such as H. Samuel at the mass end of the market, will be forced to depend more than they probably like on the current fashion trend towards lighter jewelry.

Those who believe that money matters (but who do not believe that money is the only thing that matters) will be relieved to note the way in which the domestic debate about economic policy is developing.

Once upon a time there was a school which held that, provided the growth of the money stock was held within certain limits, the rest of the economy could be left to fly on auto-pilot and all would turn out well, with the rate of inflation coming nicely down.

Ever since this school came to dominate the present Government's economic thinking, gentle voices have been raised asking for some explanation of the mechanism by which this miracle would come to pass. For a while the answer was that a firm statement of the Government's monetary intentions would change "expectations" and, as a result, cast their shadow before them.

More recently those who believe in the benign effect of "rational expectations" have had difficulty in coming to terms with the data emerging, for example, on wage settlements in the present pay round.

If economists of this school misled Mrs Thatcher, Sir Geoffrey Howe and others into thinking that there were simple, one solution answers to complicated problems, they did a serious disservice to us all. As over the next year it is four that things are not coming right at the expected pace, I hope that we shall not have a series of "discoveries" that the rate of inflation is also affected by world commodity prices, the existence of trade unions with bargaining power, the existence of monopolies and oligopolies capable of passing on cost increases to their customers, or whatever.

The mistake of the Heath government was that it came to think that the economy could be stimulated by fiscal and monetary means while a prices and incomes policy tried to keep the lid on inflation.

The mistake of this Government has been to think that inflation could be dealt with by monetary policy alone and that the rest (combined perhaps with ritual incantations about "cash limits for the public sector") would take care of itself.

One of the chief contributions made

by this Government to public affairs is the attack on the view that government itself is omniscient and should be omniscient. Mrs Thatcher, in particular, has gone out of her way to get over the message that individual groups and institutions should not automatically turn to the Government for the solutions to problems which they are unable to find for themselves.

The reverse of this, however, ought to be that government is very responsible for things that are directly under its own control.

The money supply is clearly something that the Government can control. It now admits, almost in public, that it failed to get it under control until the very end of 1979. Even more clearly, wages and salaries in the government service are in an area where the Government has total discretionary powers.

Given this administration's instinctive dislike of all government in general and central government in particular, it is surprising to put it mildly that it has taken a year for the realization to form that under present pay arrangements for the public sector, it is the Government itself which is fuelling the

wage explosion. For the public service at least, even the most doctrinaire monetarist government must have an incomes policy.

This leaves aside the question of whether any government in the present situation will in due course inevitably be driven by force of circumstances into more direct involvement in the process of wage settlement. Everyone knows the problem and that it appears to be insoluble.

For the only kind of incomes policy for the economy as a whole that works is a total freeze. But there is no point in a total freeze unless it can be followed by something that leads on naturally. It would be much better if some kind of free collective bargaining could be made to work.

For that achievement it would be worth a bit of the present wage explosion. But the Government is undermining (maybe has already fatally undermined) the chances of such a progression by its failure to treat its own position as an employer with sufficient responsibility.

The dangers of Austria's hard currency policy

Some countries, like Britain, have a hard currency thrust upon them. These days most governments court currency strength.

Over the past 10 years Austria has been one of the most consistent practitioners of a hard currency policy with the strong link to relatively strong currencies since the early 1970s.

This determined currency policy appears to have played a significant part in the remarkable success of the Austrian economy over the past decade. This month Austria has been celebrating the twentieth anniversary of the agreement that gave the country its post-war independence, its pride bolstered by the knowledge that it has come through the 1970s with healthy economic growth, full employment and low inflation.

The hard currency policy has played a key role in creating this economic success by keeping imported inflation down and so restraining internal cost pressures.

As two of Austria's three chief trading partners—West Germany and Switzerland—are hard currency nations with a low inflationary bias, the logic of a strong currency policy becomes still more impressive. But Austria's trade deficit has also been growing fast bearing out suggestions that the hard currency policy is weakening the international competitive position of Austrian industry.

Pattern

Until more statistical evidence is available it is possible to argue that the first quarter surge in imports reflected a sudden, short-term expansion in industrial investment and private demand and that the figures do not necessarily set a pattern for the year.

Certainly, the finance ministry in Vienna does not seem to regard the balance of payments as a serious problem, and is still confident that Austria as a Triple A borrower on international finance markets can finance its deficit abroad.

Moreover, because the Austrian schilling is not traded heavily on currency markets, the authorities should be able to maintain their hard currency policy successfully in the medium term and not have to fear a sudden fall from favour such as that which hit the Deutschmark earlier this year when it was realized that West Germany was running a growing balance of payments deficit.

But the declining importance of manufacturing industry, the underlying balance of payments trend, the country's big public sector borrowing requirement of around 4.5 per cent of gross national product are all signs that Austria, for all its economic success, is living beyond its means.

In the past, pragmatic governments backed by moderate but firm trade union leadership have pushed through the adjustments needed to keep Austria's economy on course. If the balance of payments continues to deteriorate this year they will have to demonstrate the same ability. For at present, Austria's hard currency policy appears to be carrying the seeds of its own destruction.

Peter Norman

Re-casting pensions to aid economic strategy

Raymond Nottage

The nationalised industries have an important role to play in the Government's medium-term economic strategy. Despite an increase of £650m in their estimated annual rate of capital expenditure between 1979/80 and 1983/84, they are to eliminate over that period their demand for capital finance from external sources, and in 1983/84 actually repay £400m of previously incurred debt. The figures are as follows:

	1979/80	1983/84
Total capital requirements	4,250	4,900
Met by external finance	2,300	—400
Internal resources	1,950	5,300

Over the next four years the industries must therefore increase their profits by no less than £3,350m.

The Government believes that they can do this by strict appraisal of their investment plans, increases in their efficiency and the phasing out of under-pricing.

The Commons Treasury and Civil Service Committee doubt both the wisdom and practicality of this proposal. Price rises by industries with monopoly power will fuel inflation. For others, however, price rises will mean reduced demand and loss of income.

One way by which the nationalised industries could ease their financial problem would be to alter the way they finance their employees' pensions. Their present arrangements are the most capital intensive that can be devised. The industries justify their pension financing policies on the grounds that:

(1) they are necessary for the security of future pensions, and

(2) present thrift will bring future plenty.

If invested funds continue to produce negative real rates of return, however, this second objective may well be elusive. On security, other important organizations provide their pensions as a lower current cost than that borne by the nationalised industries and with a degree of security that is acceptable to their employees.

Broadly speaking, the nationalised industries increase pensions in payment by the amounts payable under the Pensions (Increase) Acts. While public service bodies and the water industry meet these increases on a pay-as-you-go basis, the other industries fund this liability—a policy that is incontrovertibly dearer in the short run and only speculatively cheaper on a long-term view.

Some pensions experts maintain that it is impossible to fund pension increases on a national basis and cite the unwillingness of insurance companies to incorporate this feature in the pension schemes they offer. Others accept the possibility of

funding pension increases, but consider the cost of doing so to be prohibitive. The nationalised industries have not been deterred so far at least—by that consideration.

When pension increases are met on a pay-as-you-go basis the cost does not appear to be unduly high. For example, in the long-established local government schemes, which have a pension/employee ratio of one to four, pension increases in 1977-78 amounted to 3.3 per cent of payroll.

By meeting their pension increases in future from revenue, the nationalised industries would secure a worthwhile financial economy, probably for many years to come.

They would also draw back from the exposed and politically vulnerable position of being the only body of employers in the country who believe that their employees' command prices for their goods and services high enough to sustain the cost of funding index-linked pensions.

A further option available to the nationalised industries is to contract the employees into the state pension scheme, and correspondingly reduce the benefits, and hence the liabilities, for which their own schemes are responsible and in respect of which they must accumulate capital. This would mean paying more into the state scheme, but at a time of high inflation and inferior returns on investment, the extra payment would constitute a good bargain.

Another useful advantage would also flow from this decision. As the Government Actuary has often explained, the smaller the number of employees contracted out of the state scheme, the lower will be the contribution from general taxation to the National Insurance Fund through the Treasury Supplement. In the current year the contracting out of 10 million employees will cost the Exchequer £450m. By contracting in their 1.5 million employees the nationalised industries would save the Exchequer some £70m or more a year over the next few years.

Thus, if the nationalised industries now contracted in all their 1.5 million employees, the present rate could be cut by 0.4 per cent. This reduction would apply to all employees and their employers, so that the industries would benefit from their United Kingdom customers as well as themselves.

A further point to be noted is that the smaller the number of employees contracted out of the lower will be the contribution from general taxation to the National Insurance Fund through the Treasury Supplement. In the current year the contracting out of 10 million employees will cost the Exchequer £450m. By contracting in their 1.5 million employees the nationalised industries would save the Exchequer some £70m or more a year over the next few years.

Apart from the savings to be secured in these ways, the nationalised industries probably need to review their methods of financing pensions for another important reason. Hitherto the actuaries have valued their pension funds on the assumption that their investments would earn a positive real rate of return.

In the light of experience over the last 10 years or more, however, this assumption is becoming increasingly difficult to sustain and it would not be surprising if at the next valuation the actuaries decided that negative real rates of return must be henceforth assumed. This would produce substantial deficiencies for funds that had previously been only just in balance, and horrifying figures for those that had been less well endowed.

Such a development would come as a further severe blow to industries already hard pressed by Government fiat. Its effects could not be escaped altogether. They would be minimized, however, by reducing as far as the industries can legitimately do so, their schemes' reliance on advance funding.

It may be argued that in switching a significant part of their pension liabilities from a funded to a pay-as-you-go basis, the nationalised industries would be jeopardizing the security of their employees' pensions, especially in an industry that might be cut back in size.

That is true for pension increases, but the change would not put the employees in that industry in a worse position than those of a private sector company that at present gives pension increases but could not do so if it fell on evil times. For that reason, it is a change that was transferred to pay-as-you-go by contracting into the state scheme, the security of the employees' pensions would be in no way reduced. Indeed, since those liabilities would be backed by the nation's payable capacity that security would be enhanced, particularly in an industry whose future is uncertain.

Adoption of these suggested policies by the nationalised industries should win Government approval. They would reduce the Exchequer's contribution to the National Insurance Fund, and eliminate in respect of 1.5 million employees the complicated administration that contracting out involves for both employers and the DHSS.

Most important of all from the Government's point of view, however, would be the slowing down of the transfer of ownership of Britain's major companies from individuals to trusts, organizations which have power without being accountable for its exercise and have yet to prove their economic value and justification.

The author was formerly Director General of the Royal Institute of Public Administration.

Business Diary: I'm Cyril, fly me



Helping to spread Ladbroke's bets: (left to right) Michael Montague, Sir Henry Marking, John Jarvis and Cyril Stein.

into the wall to be opened 50 years from now in AD 2030 by the manager of that day and shared with his guests. Here today, here tomorrow, seemed to be the message of the hour. Ladbroke's four London and 11 provincial casinos are the hostages of Lord Allen of Abbeydale, the all-powerful chairman of the dreaded Gaming Board.

The Ladbroke share price has been buffeted by the successful objection by Lord Allen and his board members to the three group's licenses for the West End casinos. The Ladbroke Club, the Hertford Club and Park Lane Casino. Ladbroke, it was said, had sought to entice gamblers from other establishments by means some of which would have brought a blush to the cheek of the young person.

The licence for Ladbroke's remaining London casino, the Park-Tower, is up for renewal

but Stein says that this too is for sale. The two helicopters, on hire from McAlpine Aviation, carried Stein, Sir Henry, Montague and John Jarvis, chairman of Ladbroke's hotels and holidays division. They were flown by ex-army captain Mike Barrett. A second helicopter piloted by another ex-army man, Capt Arthur Burland, carried Ladbroke aides and observers.

They took off in brilliant morning sunlight from the Battersea Helipoint in south-west London, and flew at about 140 mph and 1,500 feet above scenes of rape and tillage in the English countryside below. They skirted a flight of American F-111s from Upper Heyford and soon disappeared into the industrial muck that stretched from east of Birmingham to the west of Manchester and persisted until Levensay.

Safely on the ground, John Jarvis read a Ladbroke mani-

festro. The group, he said, was spending £11m on these three hotels, and on another now under construction in Edinburgh. These represented over 600 new jobs and added another 480 extra bedrooms, or another 10 per cent to the group's stock. This was, he said, the biggest single hotel building exercise in Britain since the mid-seventies. Jarvis is an exponent of what he calls "retail theatre". Hotels, he declares, have to get away from postboxes and all that, and into "a new era of hotel-keeping". Hospitality and service should endure but those offering it "have to go towards a new theatrical style".

In catering terms, the impresario of this in the Ladbroke group is a Mrs Mary Wade who Mr Jarvis described as a "full-time researcher of new dishes" which were produced in the 1800s and have now been forgotten or dishes that are

now made in Mexico and not known outside Mexico".

Mrs Wade, he said, is a librarian and a technologist of food. Any "new" dish she suggests is in true theatrical style given a provincial try-out often at the group's Mercury Motor Inn, Chester, and if successful goes on tour to Ladbroke's other 30-odd provincial hotels, and then, who knows? Even on to a West End run at Ladbroke's London flagship, the Westmoreland.

Cyril Stein kept out of the casino controversy. He did, however, tell me: "We have had a fair amount of aggravation with it, and we have made a corporate decision to get out of the casino business." He was confident, he said, that the group could replace the one-half contribution to profits made by the casinos through the group's hotel and holidays, retail and property interests.

"At the back-end of 1977 we thought we could have 100 hotels and 6,000 bedrooms by 1982. We will not get that number of hotels but we will get that number of bedrooms." The reason was, he said, that there were no longer enough independent hoteliers of quality to be acquired, so the group would have to build more and larger hotels of its own.

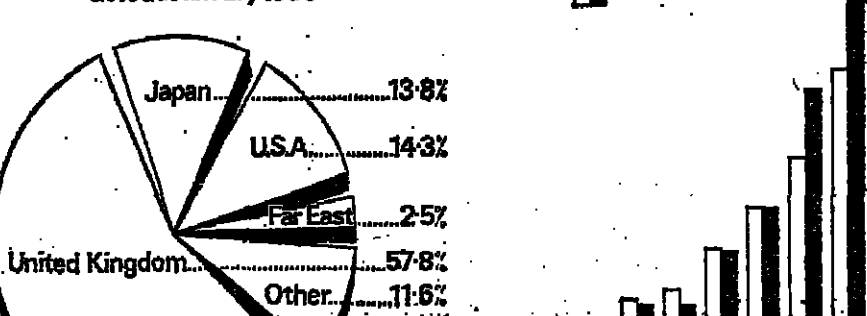
The Warwick Mercury Hotel, by the way, is being built only 10 miles or so away from the village of Ladbroke, the home of Arthur Bender, who founded the Ladbroke group at the turn of the century.

Ross Davies

The General Funds Investment Trust Limited

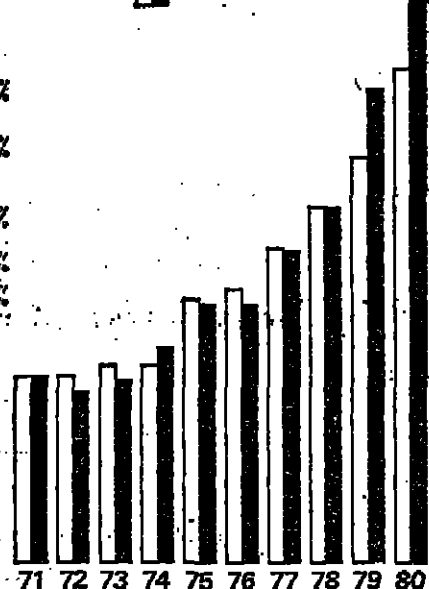
THE GROWING BENEFITS FROM A POLICY OF INTERNATIONAL INVESTMENT

Distribution of Investments at 15th January 1980



Copies of the Accounts may be obtained from City Financial Administration Limited, Regis House, King William Street, London EC4A 3AR.

Dividends Gross Revenue



FINANCIAL NEWS

Stock markets

Late recovery after heavy selling among oils

Investors caught a glimpse of what might happen when the oil bubble bursts as prices dropped dramatically yesterday, dragging the rest of the market with them.

The summer weather and the second leg of the three-week account had lulled most dealers into a false sense of security which was shattered by the appearance of sellers. This followed weekend press forecasts of an imminent end to the oil boom and reports of production difficulties in the huge Ninian field.

However, jobbers had been fully aware of the problems, marking prices sharply lower from the outset, which did much to deter panic selling. But the damage was done as far as the rest of the market was concerned as it was dragged lower in the wake of oils.

A prime casualty was ICI, which a large stake in the Ninian field and first quarter figures due out tomorrow. It fell 6p to 374p.

As a result the index, which has both BP and ICI as constituents, tumbled 3.7 at 3 pm before recovering to close only 1.9 off at 433.8 following a statement from the Chevron Corp.

This warned the market that the statement regarding production problems at Ninian, in which it was a stake, had been issued prematurely and had been exaggerated.

The announcement did it job with prices recovering after hours although most were still

below their best. Jobbers went home in a confident mood, however, expecting to see a further recovery in trading today.

Gilt remained in a sombre mood, trading in narrow levels and overshadowed by the

At yesterday's Home Churn annual meeting shareholders heard that second quarter growth had trickled away to nothing. As a result, analysts are downgrading profits estimates to £3.3m after an interim of £1.3m. The share price dipped 3p to 119p.

troubles elsewhere. In long, falls of between £1 and £2 were not uncommon while at the shorter end earlier rises of £1 soon turned into a deficit.

Dealers said conditions still reflected last week's dismal bank lending and inflation figures and had deterred buyers for the time being.

Leading industrials had a quiet time, drifting lower with most of the market. Dunlop continued against the trend, rising 2p to 72p as Far Eastern buying picked up another 250,000 shares.

Elsewhere, Rank slipped 4p to 188p and Unilever eased 1p to 405p. Glaxo at 188p, Beechams at 114p and Fisons at 287p held firm.

But it was the apparent losses in oils that captured everyone's imagination, although some reaction had been on the cards for some time. Turnover among the majors

was fairly low as BP shed 10p to 328p, Shell 4p to 370p and Ultramar 10p to 328p.

Among the second liners, Slebeens tumbled 32p to 888p, with Clyde Petroleum down 55p at 535p, Lasso 28p to 600p, Tricentral 16p to 348p and Burmah 5p to 205p.

Onshore driller Carless Capel was unchanged at 146p after slipping to 132p, but Berkeley Exploration fell 22p to 178p, and Attack dropped 24p to 244p.

Oil related shares also came in for a beating with IC Gas 12p off at 820p, Cavoods 7p at 183p, International Thomson 12p at 400p and Associated News 6p at 287p.

Properties attracted support

despite some critical press comment. This was sparked off by favourable full-year figures from Land Securities, including some hefty revaluations which added £1.50p to the asset value and lifted the shares 12p to 342p. This in turn prompted gains across the board, although profit taking had taken its toll a little closer.

MEPC closed 1p higher at 213p, but Great Portland drifted 2p to 244p and Hammerson 4p slipped to 81p while Haslemere finished unchanged at 332p.

Among companies reporting, J. H. Fenner rose 4p to 130p after some good interim figures while Wakefield Robey added 1p to 33p and H. Samuel closed unchanged at 210p.

Lower profits wiped 7p from MAM's at 133p and 4p from Readicut International at 19p.

Shares of News International were suspended at 16p amid speculation that the group's UK assets were up for grabs. Meanwhile, Steau Romania returned from suspension 15p up at 22p following terms from the English Association of American Bond Holders.

The latest moves in the US knocked 2p from BAT at 241p after its recent acquisition of Appleton.

Also on the takeover front, British Sugar rose 4p to 206p on reports that Lough, down 3p at 80p, was about to make a counter bid.

Favourable mention helped Time Products 3p to 68p and Fodens fell 3p to 42p, and

Thomas Bewick was 2p lower at 44p, MK Electric slipped 7p to 177p.

Bugs mopped up another 250,000 shares in Courtaulds yesterday, ahead of probably dismal figures next week. Some attribute it to the appointment of a new management team and the bullish statement on textiles by Coats Patons last week. However, the market puts it down to the rejection of earlier plans to cut the dividend. The shares rose 2p to 70p against the trend.

Polly Peck recovered 6p of its recent fall at 43p while buying in a thin market helped Steel Bros 15p to 170p. But in foods the announcement that the chairman had sold 250,000 shares clipped 1p from Bejam at 76p.

In stores Sears remained unchanged at 41p despite a placing in the market of over 3 million shares. Weak spots were found in Home Churn, down 3p at 119p, and Mothercare, off 2p at 238p, but weekend commor of a takeover left House of Fraser 2p lower at 148p.

Equity turnover on May 16 was £81.64m (11.213 bargains). Active stocks yesterday, according to the Exchange Telegraph, were: Carless Capel, Lasso, Premier Cons, Charterball, BP, KCA Int, Tricentral, Maple, Shell, RTZ, MEPC, Unilever, Allied Breweries, BAT Industries and Beechams.

Pretax profits halved to £4.6m at Readicut

By Catherine Gunn

Carpets and textiles group Readicut International's gross margins collapsed in the year to March 31 1980 under the combined pressures of high interest rates, increasing raw material costs, the stronger pound and fierce competition for a shrinking home market.

Group pretax profits halved to £4.63m, though turnover rose 6.7 per cent to £92.8m. The final dividend has been cut by 43.7 per cent to 1p gross making a total of 1.79p, against 2.53p.

The current year's results depend heavily on the second half, which usually sees a seasonal upturn.

It never materialized in 1979-80. Mr Paul Crosset, the chairman, is "not expecting anything very great in the current half". But he is not expecting a reduction of the interim dividend, yet, either.

Readicut has managed to preserve its market share, ready for an upturn if one does come. Its main problem last year was its inability to pass on the effects of inflation, especially in the export market. Overseas profits fell 38 per cent to £1.09m. Competition at home

from cheap Unit imports also matters.

As a major supplier of carpets to the BL, group is keeping an eye on BL's fortunes. Demand from the c accounted for roughly a £980,000 drop in £1.63m, in the text.

The carpets division, in the context of a severe dogging the industry, fell from £1,183,000. It is being down "to meet demand", and up it may go in the near

More financial news

recent United States, Royal Regal, long. "Other" interest from hefty increases in royalties, but year a small improvement.

Capital expenditure was £5.24m and has led to an estimated £ year. The group is co on improving efficiency looking out for potential in related areas of plant, facilities. But costs last year at £215,000 to £1.13m.

Briefly

Walter Lawrence: Ch in his annual state company cannot expect more from general climate but overall, he results for current year acceptable. It intends by organic growth acquisitions.

North British Prop £2.40m 91 per cent unsecured loan stock 1 by way of rights to shareholders, some 94 nominal has been taken.

Glasgow Pavilion: total annual meeting special resolution group's capital has been moved overseas to broaden and strengthen of company, principally activities.

Ambrose Investment T income share for year to £67,000 (£52,000). Profit £163,000 (£152,000). Eps 1.17p (1.1p). Dividend 9.02p (7.71p).

Ben Williams and Co: for 1979 £1.95m (£1.78m) profit £10,000 (£25,045). Eps 1.17p (1.1p). Dividend 0.5p.

Metallux (Holdings): reported satisfactory financial year at annual Group has a substantial bank and is keen to acquire in cash or shares. Shareholders should be satisfied with results half.

Associates, Deal: As 8 Waring and Gilroy (1 Fielding, Newson-Smith chased 550,000 ordinary and Co (Holdings) at bringing total holding to 110n (14.68 per cent).

Stewart Nairn Group: Or Mr N. I. E. Osborn, sold 105,000 shares. He takes an interest in 1 shares (10.69 per cent). same date, Lever Sec who owned subsidiary acquired 1 million share, setting 10.61 per cent.

P. W. MacLellan: report chairman says that taking place within a likely have a marked profitability. Upset this be considerable and it v terms of losses. Reduced charges from lower but not until the last few of 1980. He hopes trade for 1980 will not fall 1979's.

Options

Company results of one of the main feature traded options market day. Land Securities profits up by 44 per cent 174 contracts out of a 513. Rascal traded 107 at 85 in third on the di

Assam Frontier Tea: Caparo Group has increased by 49,000, and 138,000 ordinary shares (cent).

Stewart Nairn Group: Or Mr N. I. E. Osborn, sold 105,000 shares. He takes an interest in 1 shares (10.69 per cent). same date, Lever Sec who owned subsidiary acquired 1 million share, setting 10.61 per cent.

P. W. MacLellan: report chairman says that taking place within a likely have a marked profitability. Upset this be considerable and it v terms of losses. Reduced charges from lower but not until the last few of 1980. He hopes trade for 1980 will not fall 1979's.

Australia and New Zealand Banking Group Limited

(Incorporated with limited liability in the State of Victoria, Australia)

Half-yearly Profit and Dividend

The directors of ANZ Banking Group Limited announce an unaudited, consolidated profit after tax including extraordinary items for the half year ended March 31, 1980 of \$A65,871,000 an increase of \$A16,138,000 or 32.4 per cent compared with the previous corresponding half year.

After extraordinary items the consolidated profit for the half year was \$A70,111,000 compared with \$A53,480,000 for the 1979 half year.

The higher earnings in the current half year have resulted mainly from:

- a general increase in business volumes
- increased overseas exchange earnings
- greater recoveries of costs through fees and commissions
- continued effective cost control
- increased profitability of the finance company subsidiaries, including the initial contribution

from Finance Corporation of Australia Limited. The directors said that operating conditions are expected to be less favourable in the second half of the year and it may not be easy to maintain the same level of profitability for the full year.

Details of the consolidated result for the half year ended March 31, 1980 are set out below.

The directors have declared an interim dividend of 12 cents a share for the year to September 30, 1980 (1979 - 10c a share). It is payable on July 4, 1980 to shareholders registered in the books of the company at the close of business on June 9, 1980 (Dividends payable to shareholders on the London and Wellington registers will be converted to local currency at the appropriate rate for telegraphic transfers on June 9, 1980) and transfers must be lodged before 5 p.m. on that day to participate.

	Half-Year to 31/3/80 SA'000s	Half-Year to 31/3/79 SA'000s	Percentage Movement %
Banking operating profit after taxation	45,722	35,492	+28.8
Non-banking operating profit after taxation	22,475	14,606	+53.9
Consolidated operating profit after taxation	68,197	50,098	+36.1
Less: Minority interest of outside shareholders in subsidiary companies	2,325	364	
Consolidated operating profit attributable to members of the company	65,872	49,734	+32.4
Extraordinary items (net)			
Surplus on Sale of Properties	3,702	1,024	
Surplus on Sale of Shares in subsidiary and associated companies	542	2,722	
Less: Minority interest of outside shareholders in subsidiary companies	4,244	3,746	
Extraordinary profits - excluding minority interests	4,239	3,746	+13.3
Consolidated profit after extraordinary items attributable to members of the company	70,111	53,480	+31.1
Group Income	794,068	592,700	+34.0
Group Interest Paid	401,352	287,000	+39.8
Taxation Expense			
- Banking Companies	42,862	34,024	+26.0
- Non-Banking Companies	14,869	11,576	+28.4
Depreciation including amortisation	9,699	8,786	+10.4
Earnings (before extraordinary items) per share on issue at March 31	47.7cents	49.0cents	
Earnings (before extraordinary items) per share (average, adjusted for bonus issue, staff share issue and issue to The Bank of Adelaide shareholders)	47.9cents	39.2cents	

The March 1980 figures include:

- the full half year's results of The Bank of Adelaide, The Bank of Adelaide Savings Bank Limited and Finance Corporation of Australia Limited and its subsidiaries and
- 75.0% of the profits of the total New Zealand operations following incorporation of a separate New Zealand subsidiary (ANZ Banking Group [New Zealand] Limited) in October, 1979 and the subsequent acquisition of 25% of the shares in this

company by the New Zealand public. Banking operating profits include the profits of overseas banking company subsidiaries which were previously included in non-banking profits and 1979 comparative figures have been adjusted to this basis. The 1979 comparative figures do not include those of The Bank of Adelaide, The Bank of Adelaide Savings Bank Limited and Finance Corporation of Australia Limited and its subsidiaries.

Issued and listed securities as at March 31, 1980

	Number Issued '000s	Of Which Listed '000s	Par Value	Paid-up Value
Ordinary Shares:	138,218	138,218	\$A1.00	\$A1.00
Of which issued during reporting period	11,471	11,471	\$A1.00	\$A1.00
Debentures - totals only	1,207,361		\$A'000s	
Unsecured Notes - totals only	488,394			

Rowe and Pitman raid on Laurence Scott

By Rosemary Unsworth

Stockbrokers Rowe and Pitman moved into the market yesterday and picked up 1.5m shares in Laurence Scott, the electrical machinery and control gear manufacturer, on behalf of Mining Supplies.

The shares represent a 16.4 per cent holding in the group, and Mining Supplies said it intended to go on buying at 60p a share until it had purchased a 29.9 per cent holding. This price represents a 14p premium on Laurence Scott's Friday-night price and values the group at £5.6m. Mining Supplies' acquisition included a 4 per cent stake which was previously bought by Sabin Bacon White.

Mining Supplies, which manufactures mining machinery, decided to buy the stake to use it as a blocking device if another company decided to make a bid for Laurence Scott. It is a basis for a takeover offer of its own. Mining Supplies' chairman, Mr. Anur Suipe, explained that the group was using Laurence Scott increasingly as a supplier and wanted to increase its business with the company in future.

"We will have to have talks with them about board representation as I believe we will reach our 29.9 per cent target although we have no intention of paying more than 60p a share. This is a fair offer."

Last year Laurence Scott made losses of £997,000 and Mr. Suipe, chairman, explained that the group had been seriously affected by the engineering strike.

Rowe and Pitman said yesterday that its announcement over the share buying was prompted by criticism earlier this year over its role in the De Beers raid on Cons Gold.

RTZ may help develop Panama mine

By Michael Prest

Rio Tinto-Zinc, the London mining finance house, may have found its next major mine. The company is talking to the government of Panama about developing the huge Cerro Colorado copper deposit.

The deposit lies on the south-eastern side of Panama's central divide. Estimated reserves are 1,300m tonnes with a copper content of 0.78 per cent. At a projected mining rate of around 187,000 tonnes a year, the mine's life would be at least half a century. The mine would be open cast. At present, Cerro Colorado is 80 per cent owned by a Panamanian government agency, Codemin, and 20 per cent by Texas Gulf, the American company. Texas is considering pulling out.

Business appointments

New board member at Distillers

Sir William Pile has been appointed to the board of Distillers Co.

Mr. Nigel Wicks, an assistant secretary at the Department of energy policy and relationships with public sector energy industries, has become a part-time member of the board of the British National Oil Corporation. He replaces Mr. Fred Jones, another Treasury man.

Mr. A. Shipman has been made financial controller of the London Co-operative Society. He succeeds Mr. Francis McKay who has resigned.

Mr. A. M. Kyd and Mr. P. Negus have been appointed senior executives with responsibilities for

Thomson to spend £200m

By Our Financial Staff

More than £200m has been earmarked by International Thomson Organisation for the development of its existing, new and potential interests in Britain during the next five years.

In his annual statement Mr. Gordon Brunton, the president, says that while the needs of existing businesses must remain "our top priority", substantial resources still remain available for development elsewhere in the world, notably in the United States.

He tells shareholders that the company's objective remains the same, "to become a leading international publishing, communications and information business with strong ancillary interests in leisure and natural resources".

On prospects for earnings, Mr. Brunton says that in the medium term a higher proportion of income than expected is likely to be generated from

oil. Nevertheless, non-oil profits are expected to continue to rise in absolute terms.

In his report the chairman, Lord Thomson of Fleet, says that although the financial contribution from North Sea oil interests is now dominant, it should not be overlooked that the group's travel interests are contributing on a scale that would have been "undreamed of 10 years ago".

Moreover, regional newspapers, which have been a consistently reliable performer, again made a "solid contribution".

Last year the travel companies - Thomson Holidays, Britannia Airways and Lunn Poly - returned earnings of £21.2m before interest and tax, against £17.3m in the previous year. Oil and gas earnings on the same basis were £10.3m against £7.55m, and regional newspapers increased earnings from £13m to £13.7m.

National newspapers, affected

NCB orders aid Fenner rally

By Our Financial Staff

Power transmission engineering group JH Fenner has recovered the profits it lost a year ago through the road-haulage strike and an internal dispute. This year's earnings and steel strikes marred the interim performance to March 1, 1980, only slightly.

In the current second half, the group has noted "a decline in some markets" and warns against expecting too much for the full year. But it looks as though the group's 1979-80 profits will beat the £9.0m pretax record set in 1978.

The interim pretax profit came out at £4.26m against £2.81m a year earlier, after interest costs of £1.42m - a £752,000 increase. Turnover was £58.1m against £42.4m. The interim dividend has risen 10 per cent, and the group expects to increase the final by a



Mr. Joseph Palmer, chairman of J. H. Fenner.

similar amount. That would give a prospective yield of 9.94 per cent at 130p.

The recovery came mainly in the United Kingdom, particularly on the power transmission

side. With the current emphasis on solid fuels, the NCB has increased its spending on conveyor belts. JH Fenner remains the NCB's largest conveyor belt supplier. Competition is tougher overseas.

bearing maker Dick Bearings, came close to its budget. But the cost of servicing the borrowings for the acquisition was more than anticipated. Total group borrowings are now running at about £18m.

The fluid seating side is still suffering from the side effects of the "general" poor health of the automotive industry", according to group chief executive, Mr. Peter Barker.

In the United States, the recession is pushing the US slide from profits towards break-even point. The group has now cut its 25 per cent stake in Dutch group Rapistan van der Lande to £128m.

Results lift Landsit shares to new high

By Philip Robinson

Shares in Land Securities Investment Trust, Britain's largest property company, jumped 16p to a new high of 342p yesterday as the company announced a 44 per cent rise in pretax income and a sample property valuation which indicated a 25 per cent rise in values last year.

Before the figures, Landsit's price was falling with the sector and touched 326p at one point. Some analysts had been expecting £37m pretax and estimated that property values had increased by 15 to 16 per cent last year.

Landsit's preliminary figures show profits up from £26.3m to £38m on a 10 per cent rise in total income to £83.5m.

Rents and interest the group received rose by £58.8m to £60.3m and interest charges dropped because of low borrowings and the conversion of

three loans stocks last September from £28.2m to £22.2m.

Landsit has boosted the yearly dividend by 20 per cent to 11.14p gross with a 7.57p final.

At the end of March, Landsit's property portfolio was worth about £1,200m, including £1,175m of properties at valuation by Knight Frank and Rutley at March 1979 and £26.3m of additions during last year at cost.

A sample survey by the valuers now estimates that the group's properties are worth 25 per cent more than a year ago.

The group says that without adjusting for any taxation payable if properties were sold, the consolidated net assets of the group at the end of March 1980 amounted to £884m on which basis the fully diluted net asset value per share would be 371p.

Agreement over M & B 'A' shares

By Catherine Gunn

Paint and wallpaper stores group G Stanley and the Imperial Group's pension fund, ITC, have at last agreed terms for the outstanding "A" shares of Morris and Blakey Wall Papers which AG Stanley did not manage to mop up last year when it acquired the rest of M and B.

ITC and others, holding between them 13.2 per cent of the capital - £64,000 shares - refused a cash and shares offer in June 1979 worth 33.25p and M and B "A" share, with the AG Stanley share element underwritten for 70p cash by Kleinwort Benson.

Almost a year on, they have nearly all irrevocably undertaken to accept an offer worth 39.6p and M and B "A" share, adjusted for a three-for-one share split, with AG Stanley's shares trading in the market at 74p. This time the share element is not underwritten for cash.

The advisers to AG Stanley, Kleinwort Benson, explain that the Takeover Panel foresees no problems with the shareholders who accepted the lower offer for their "A" shares last June, on the grounds that 33.25p invested at the high rates prevailing in the market since then would be worth 39p or more now.

Under the terms of the new offer - £57.0 cash for every 20 M and B "A" shares plus the interim M and B dividend of 0.32p gross - ITC gets £162,000 cash, including the last dividend, and almost 85,000 of AG Stanley's 25.3m ordinary shares, in return for its 565,000 M and B "A" shares.

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Briefly

Walter Lawrence: Ch in his annual state company cannot expect more from general climate but overall, he results for current year acceptable. It intends by organic growth acquisitions.

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Putting profits to work

Results at a glance

millions of pounds sterling	1979	1978
Net sales	699.6	576.7
Trading profit	172.0	146.5
Earnings for the year	41.4	44.1

£200 million investment in the United Kingdom over the next five years.

Summary of the report of the President, Mr G C Branton:

This has been the first full trading year of International Thomson Organisation Limited, the financial holding company for the Group. Net sales at £699.6m were 21.3% higher than in the previous year, and trading profit at £172.0m showed an increase of 17.4% despite the loss of £39.3m in 1979 resulting from the Times Newspapers dispute. Earnings at £41.4m were £2.7m lower than 1978 because of the Times Newspapers dispute and the high rate of tax on our oil profits which dominated the 1979 profit picture. The price per barrel of oil rose over the year from about £6.50 to £11.50 and has risen further in 1980. On the other hand, the rate of petroleum revenue tax was increased during 1979 from 45% to 60% and the U.K. Government has since proposed an increase in the rate to 70%. On that basis the Government take from every incremental pound on the price of oil will be over 87%. During the year your Company's payments of royalties, petroleum revenue tax and corporation tax on North Sea earnings were £68m and are expected to exceed £200m in 1980.

The Group's financial position continued to strengthen. Total debt at the year end was £97.2m compared to £137.2m at the previous year end, and cash and bank term deposits and short term investments were £79.8m compared to £82.4m at the end of 1978. Debt directly related to North Sea oil production has been fully repaid in 1980.

A dividend of US 5.75 cents per common share has been declared payable on July 15, 1980 to shareholders of record on June 6, 1980. For those electing to take their common dividend on the shares of Thomson British Holdings Ltd, the sterling equivalent is 2.551p per share.

The year's successes included high oil production levels, record results from our travel interests and the strong and

stable performance of our United Kingdom regional newspapers. A disappointment was the length and cost of the suspension at Times Newspapers.

Important progress is being made in the Group's programme of development. We foresee that during the next five years, and excluding oil, more than £200m will be invested in such projects as the modernisation of our regional newspaper centres, the funding of new opportunities in directory publishing, the development of our travel interests including the acquisition programme of Lunn Poly and the build-up of Britannia Airways' fleet. Our development plans elsewhere in the world are gaining momentum with active investment programmes particularly in the U.S.A.

Current prospects

This year should show a significant increase in sales, but with a deteriorating economic situation and increased oil taxes there is pressure on profitability, which should however remain at satisfactory levels. I expect all sectors of our business to perform comparatively well.

The future

We are determined to continue our policy of developing management resources and encouraging progressive personnel policies. We have continued to emphasise the social responsibility of business, for example by supporting the Government-sponsored Youth Opportunities Scheme, and by fully taking into account environmental issues wherever our activities impinge on them.

Your Company moves into the 1980s from a position of established strength. The 1970s were the years of creating and developing the businesses and our philosophy was set by our founder, Roy Thomson, who was always vitally concerned with the need to build for the future. Building for the future will continue to be our policy for the Eighties.

The major difference between now and the past is that today we have very substantial financial resources to put behind the management team which has been seasoned and experienced by the challenges of the last decade.

We shall build for the future and we shall build good strong businesses which are planned to take your Company into the next century. Our objective remains to become a leading international publishing, communications and information business with strong ancillary interests in leisure and natural resources.

If you would like to obtain International Thomson's full Report and Accounts write either to our head office in Toronto or to our London office, Thomson House, PO Box 4YG, 4 Stratford Place, London W1A 4YG.

Newspapers

Times Newspapers is the publisher of The Times, The Sunday Times, The Times Literary Supplement, The Times Educational Supplement and The Times Higher Education Supplement. It is 85% owned by International Thomson Organisation, and 15% by the Astor family interests.

Times Newspapers has a separate publishing division consisting of three subsidiaries: Selective Market-place, Times Books, and Newspaper Archive Developments specialising respectively in reader offers, the publishing of The Times Atlas and other books, and microfilm records.

Thomson Regional Newspapers is a holding company whose subsidiaries publish regional newspapers in the United Kingdom, act as retail newsagents, provide newspaper consultancy services, and engage in newspaper and general printing. The group publishes fourteen morning and evening titles, one Sunday and forty weekly newspapers from fourteen centres.

The Scotsman and the Western Mail - national morning newspapers of Scotland and Wales respectively and The Belfast Telegraph, the largest newspaper in Northern Ireland, are among the group's publications.

Thomson Withy Grove, a major printing centre in Manchester, is responsible for printing under contract the northern editions of certain national newspapers and for publishing The Sporting Chronicle and its associated weekly racing papers.

Publishing and Information

In the U.K. we operate in three main areas: magazines, data and books.

The Magazines division publishes a range of titles as diverse as the Illustrated London News and the Common Market Law Reports, Family Circle and Living, and trade and technical publications covering farming, medicine, construction and other areas of activity.

The Data division includes Derwent Publications (84% owned) which provides an information service primarily in the field of chemical patents, and Glass's Guide (51% owned) the guide to used car prices.

The Books division includes such well-known imprints as Thomas Nelson, Michael Joseph, Hamish Hamilton, Rainbird and Sphere Books.

We have a number of publishing interests in Australia, Canada, Denmark, Holland, Norway, South Africa and the United States.

Thomson Yellow Pages acts as a sales agent for advertisements in Post Office telephone directories.

Our U.S. interests include Research Publications, Inc. of Woodbridge, Connecticut, who are major micropublishers of records of U.S. and other patents and newspapers and journals of the world; Callaghan and Company, distinguished Chicago legal publishers, who provide research services and have a well-known list of titles and services; and Wadsworth, Inc. of California, who are among the largest U.S. publishers of college textbooks, with offices in Canada, Australia and the United Kingdom.

Holidays and Travel

Thomson Travel is the controlling company of the British travel division and through Thomson Holidays is a major tour operator providing a wide range of package holidays including not only sunshine holidays in Mediterranean resorts but also tours to many European cities as well as to Russia. In addition it has an attractive winter sun and sports programme.

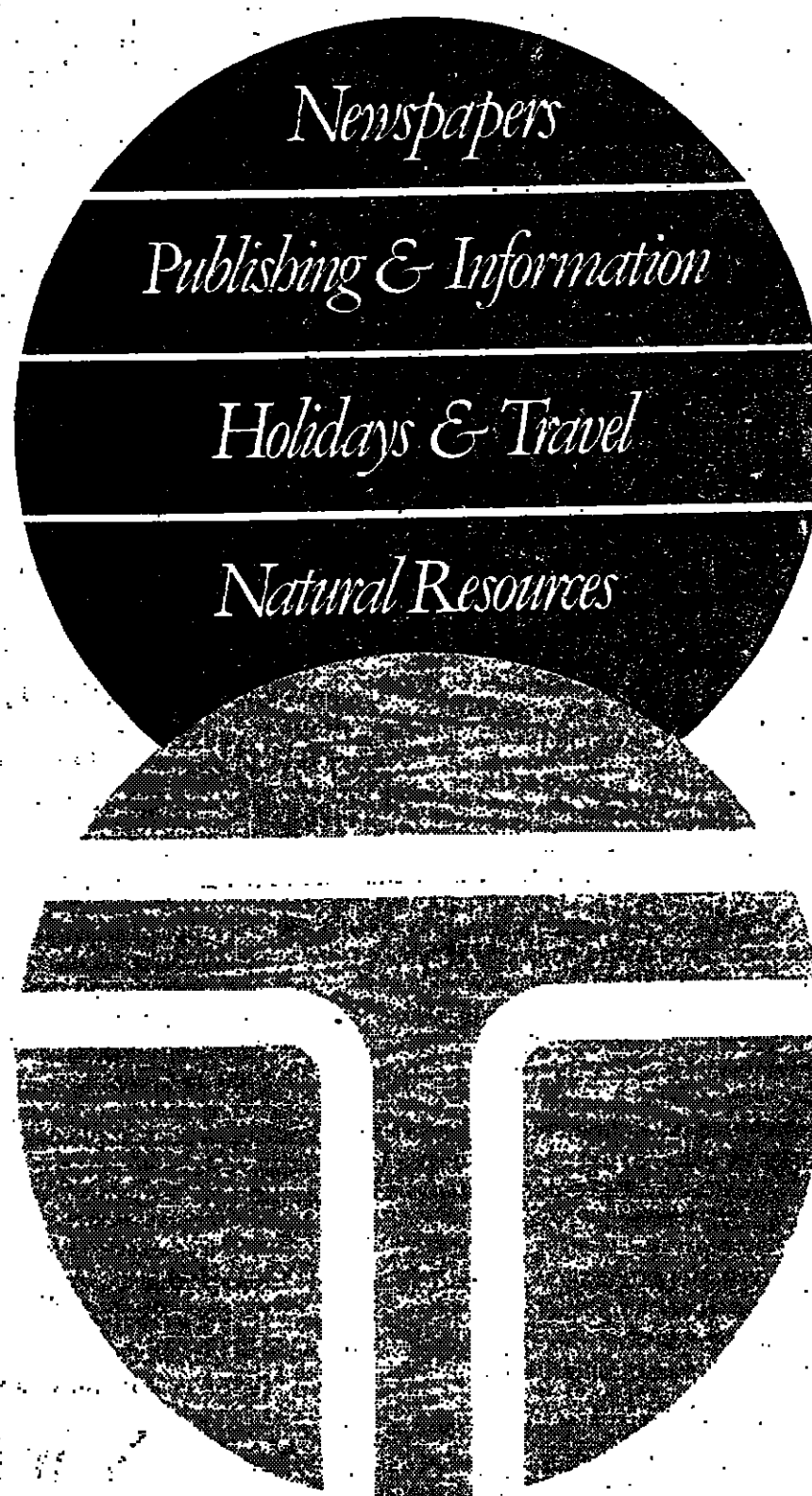
Thomson Travel runs the airline Britannia Airways which currently operates 23 Boeing 737s and carries passengers for Thomson Holidays and other tour firms. Thomson Holidays also operates a number of hotels particularly in Spain and Malta, and is involved in travel retailing through its subsidiary Lunn Poly.

In the U.S. our companies are Thomson Vacations Inc., founded in 1979 in Chicago to offer winter and summer vacations in the Americas; Unitours, Inc. of Los Angeles, California, with its chain of retail travel agencies; and Arthurs Travel, Inc. of Philadelphia.

Natural Resources

Thomson North Sea holds a 20% interest in the Piper and Claymore fields as a member of the Occidental consortium. The two fields together have been independently certified as containing proven, recoverable reserves over field life of one billion barrels. The Occidental consortium with the British National Oil Corporation holds interests in fifth and sixth round licences for North Sea exploration.

Thomson-Monteith, with headquarters in Dallas, Texas, is a partnership engaged in the development of oil and gas properties by acquisition and exploration onshore in the United States.



International Thomson Organisation Ltd.

Head office: Suite 3515 Royal Bank Plaza Toronto Ontario M5J 2K1 Canada

FINANCIAL NEWS AND MARKET REPORTS

Dome proposes oil-backed bonds

Mr John P. Gallagher, chairman and chief executive of Dome Petroleum, said that the company's Arctic oil programme would require \$40,000m of financing between now and 1990.

He said the company had approached Western European governments about providing

International

finance and had got a good response, though "nothing concrete" had developed.

The idea has been to have

seven or eight governments in Western Europe put up roughly \$10,000m each, repayable with interest in oil.

The \$40,000m would bring production up to a million barrels a day from the Arctic, Mr Gallagher said.

The company expects to start moving the oil by 1985 or 1986.

Sanofi bid expected

Trading in Sanofi, the pharmaceutical arm of the Elf Aquitaine group, and CM Industries, an independent pharmaceutical concern, has been suspended on the Paris Bourse pending an announcement, the Paris Stockbrokers' Association said.

Sources close to the companies said it would appear that Sanofi was about to make a takeover bid for CM Industries. No other details were immediately available.

Montedison improves

Montedison, the Italian petrochemical group, reported that group turnover rose by 21 per cent to 3.1 trillion lire in the January-April period, from a year earlier.

In April group turnover rose by 22 per cent to 765,000 lire. The parent company turnover was 1.64 trillion lire in the first four months, up 33 per cent from the previous year. April sales accounted for 391,000 lire.

ANZ Banking ahead

The Consolidated after-tax profit for the half-year to March of the Australian and New Zealand Banking Group is \$455.3m compared to \$449.7m in the corresponding period of 1979.

The interim dividend is \$0.37 per share, up from \$0.35 in 1979. The interim dividend is raised by 20 per cent to 12c a share. Profits after tax from banking operations alone were up from \$335.5m to \$445.7m. Business conditions are expected to be tougher in the second half of the year.

Seton Trust sells 77 pc of Derritron for £1.9m

By Rosemary Unsworth

Amalgamated Industries, part of Mr Per Hegard's Seton Trust, has disposed of 77 per cent of Derritron for £1.93m. Derritron manufactures and markets electronic equipment.

The 3.2 million shares were sold in the market at 21p, the same as the year's low, but the price rose 1p after the deal was announced yesterday. Amalgamated still holds 1m shares, or about 8 per cent of the company, which it is likely to keep.

Derritron chairman, stockbroker Mr Anthony Rudd, who arranged the placing of the shares with his investment clients, said that the remaining shares would have been taken if it had been available.

The change has removed Derritron's status as a "close" company and Mr Per Hegard and Mr A. Hegard have resigned from the board. Their first replacement, Mr G. P. Kelly, is a partner of Mr Rudd who said that the board structure would be examined and new appointments made.

Mr Rudd added that on present indications the 1979 results are likely to show reduced profits, but the company should break even after major exceptional items including research and development costs are written off. In 1978 the group made pretax profits of £703,000 and the board believes that 1980 should show "a significant recovery in profitability". The results are due in July.

Industrial and Commercial Finance Corporation and Estate Duties Investment Trust have agreed to subscribe £700,000 of new capital in Gerald Quinn. Cope and Co, discount brokers and international security dealers. The new money.

Growth rate slows at Reo Stakis

By Peter Wainwright

Pretax profits of Reo Stakis Organisation rose 18 per cent to a record £1.47m for the six months to March 30. Although this rate of growth in profits was smaller than last year, it came from a rise in turnover of only 8 per cent to £31.2m.

In the latest half-year casinos became the single biggest profit earner. Up went business in hotels and inns from £12.1m to £14.3m, pulling trading profits along from £660,000 to £766,000. But a casino turnover from a mere £2.6m to £3.5m took profits up from £80,000 to £221,000. However, Stakis got more profits from wines and spirits even though turnover fell.

The interim dividend goes up by 36 per cent to 0.57p gross, from earnings of as much as 193p.

The dividend is said to reduce further the gap between the interim and final payments and the caution implicit here should be taken seriously.

The second half of the financial year is always more important to Reo Stakis than the first, but there is no doubting the caution with which the group views the immediate future.

But it seems well equipped to gain what business there is; the hotels are below the luxury level in the businessmen's area, and it is backed, as always, by Scotland and Newcastle Breweries. The primacy of casinos in earnings is not, however, likely to alter quickly.

At the end of March Labbrock sold the group five provincial casinos, including the total number to 17. Stakis now relies with Pleasura as our largest provincial casino operator.

INDUSTRIAL OUTPUT

The following are the index numbers for industrial production in October, seasonally adjusted, released by the Central Statistical Office yesterday (1975=100).

	Total	Manufacturing	Construction
1976	102.0	101.4	102.6
1977	108.0	103.0	107.0
1978	109.3	103.8	107.8
1979	112.6	104.1	108.1
March	113.0	107.4	108.4
April	113.6	106.3	108.7
May	114.9	106.7	109.0
June	116.0	108.2	109.2
July	115.8	108.8	109.8
Aug	112.1	102.1	102.1
Sept	110.7	101.7	101.7
Oct	111.7	102.5	102.5
Nov	114.1	105.3	105.3
Dec	112.1	103.5	103.5
1980			
Jan	111.4	101.8	101.8
Feb	110.2	100.5	100.5
March	108.9	98.1	98.1
April	108.9	98.1	98.1
May	108.9	98.1	98.1
June	108.9	98.1	98.1
July	108.9	98.1	98.1
Aug	108.9	98.1	98.1
Sept	108.9	98.1	98.1
Oct	108.9	98.1	98.1
Nov	108.9	98.1	98.1
Dec	108.9	98.1	98.1
1981			
Jan	108.9	98.1	98.1
Feb	108.9	98.1	98.1
March	108.9	98.1	98.1
April	108.9	98.1	98.1
May	108.9	98.1	98.1
June	108.9	98.1	98.1
July	108.9	98.1	98.1
Aug	108.9	98.1	98.1
Sept	108.9	98.1	98.1
Oct	108.9	98.1	98.1
Nov	108.9	98.1	98.1
Dec	108.9	98.1	98.1

Merger talks start at Wormalds, Walker

West Yorkshire-based Wormalds, Walker and Atkinson revealed yesterday that it is "investigating the possibility of a merger" with Joseph Newson and Sons of Batley. Newson is a private woollen textile manufacturer whose trading pattern is complementary to Wormalds. The talks are at a preliminary stage.

Meanwhile, Wormalds reports a pretax loss of £100,000 for the year to end-February, against a loss of £140,000, which was after temporary employment subsidy of £28,000. Turnover was up from £3.18m to £3.85m.

Once again, there is no ordinary payment; none has been paid since 1974. Benefits from rationalization of production will be a significant factor in containing costs in the current year.

'Model' pact in danger as Geneva talks end in deadlock

For long the "model" commodity pact, held up as a guideline for others, the International Tin Agreement has become a victim of dissension, argument and intransigence.

The 44-nation talks in Geneva whose aim was to negotiate a new pact, have ended in deadlock and the International Tin Council is to meet in January next year to extend the current agreement, which is due to expire on June 30, 1981, if further negotiations either fail or cannot be held.

In the meantime, Mr Peter Lai, executive chairman of the Tin Council and president of the failed talks, has the task of convincing producers and consumers to try to reconvene the talks.

His final words on the Geneva meeting were: "This conference has been a failure and we must not disguise that. Positions are still too wide apart for us to close the gaps during the present session."

Mr Lai once again gave the warning that while the tin pact had been a model for other commodities, its collapse would mean "a dark hope" for Unctad negotiations towards other commodity pacts and a common fund to finance them.

The tin deadlock comes only some six weeks after the collapse of the International Cocoa Agreement and the outlook for Unctad's grandiose integrated commodities scheme with a common fund in grim indeed.

There have been three principal stumbling blocks in the tin negotiations. One has been the long-standing complaint, made principally by Bolivia, that it is inequitable that producers should be compelled to finance the buffer stock while consumers do so only voluntarily.

Bolivia also complains that the existing Fifth Agreement allows a minority of consumer participants to block progress in the Tin Council and the Bolivian delegate has said that this group of producers were unwilling to continue with the Fifth Agreement.

The third block to progress has been resentment towards the United States, although complaining delegates did not

actually name America. But there were allegations of time wasting by tabling radical proposals and being inflexible.

This was regarded as referring to an American proposal that the suppliers' existing export restrictions should be scrapped and prices regulated through a 70,000-tonne buffer stock.

The Bolivian delegate said that the producers were keen to prevent "one large consuming nation" from affecting the market through releasing non-commercial stocks of tin.

This was a clear reference to the decision of the United States Congress to authorize the sale of 30,000 tonnes of tin from the American stockpile over three years, commencing on July 1 this year with a sale of 500 tonnes.

It was a distinct threat that the producers' group together with Unctad impose export controls on tin agreement collapse.

This would imperil the pro Malaysia tin pact which had been a reserve only as a means of controlling inflation, by a means of controlling.

As to market reach, breakdown of the tin pact would mean a collapse of agreement, much would be lost. The key question was if the ITA ended, the States would pour stock on the market to the price below the tin.

This was thought to be a

Commodities

Very late in the negotiations the EEC delegation made a proposal to try to save the talks. This was a suggestion that there should be an initial buffer stock of about 35,000 tonnes financed by direct contributions from both producers and consumers.

The EEC proposal envisaged setting up in addition a contingency buffer stock financed from loans raised using stock as security with government guarantees if necessary, when the first stock is exhausted. The second stock could be up to two-thirds of the normal one.

After the conclusion of the talks, the United States trade representative in Geneva issued a statement complaining that American proposals had not been given satisfactory consideration and criticizing the attitude of producers and certain other consumers.

Tin sources in Malaysia said that negotiation of a revised Sixth Agreement now seemed

very unlikely and that the tin pact was in danger of collapse.

In any event, they prolonged deadlock by the best outcome duce being an extra existing agreement which the United States export controls, which had been a feature of all five agreements.

The Malaysian view that the tin pact was far too limited to transfer to American stockpile buffer stock.

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Wallace J

New York, May 19. Prices were slightly lower in the trading of the Dow Jones industrial average which advanced by 3.55 shares.

Analysts said Morgan's prime rate cut of 1/8% was a key factor in expectations that the Fed market committee might credit restraints at its June meeting have already been considered.

Liggett, which on agreed to accept Grant pollard's increased bid, was a key factor in expectations that the Fed market committee might credit restraints at its June meeting have already been considered.

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Land Securities

Summary of Results for the Year ended 31st March 1980

(Subject to final Audit)

	£'000	£'000
Total Income	83,527	75,593
Net Income before Taxation	38,120	26,359
Less Taxation	15,937	9,709
Income available for Distribution	22,183	16,650
Dividends per share:		
Interim paid	2.5p	1.5p
Final now proposed	5.3p	5.0p
Total for the year	7.8p	6.5p
Earnings per share—basic	9.73p	8.07p
—fully diluted	9.52p	7.65p

The aggregate year-end value of the Group's portfolio was £1,202,017,000, consisting of £1,175,628,000 of properties at the amounts at which they were valued by Knight Frank & Rutley at 31st March 1979 on an open market basis, with additions during the current year at cost, but excluding properties sold since that date. Without adjusting for taxation payable if properties were to be sold the consolidated net assets amounted to £883,976,000 on which basis the fully diluted net asset value per share is 371p.

Knight Frank & Rutley valued on an open market basis a fully representative sample of approximately a quarter by value of the portfolio as at 31st March 1980. They reported that in their opinion the values showed an uplift of approximately 25% when compared with the corresponding 1979 values.

Work is in progress on the major project involving Devonshire House and the demolition of King William Street House has commenced prior to the construction of a new air conditioned building which is due to start in the current year. Several new refurbishments have been started during the year.

The Group has purchased the freehold interests in a number of existing holdings and has effected extensions and re-arrangements of head leases and under leases.

During the year the level of rents has improved upon those on which the incremental forecast set out in last year's Report was based.

The full Report of the Directors and Accounts for the year will be despatched to Shareholders shortly. Copies will be available for non-Shareholders on request to:

THE LAND SECURITIES INVESTMENT TRUST LIMITED
Devonshire House, Piccadilly, London W1X 6BT

Sterling Spot and Forward

	Spot	Forward
1 month	1.48	1.48
3 months	1.48	1.48
6 months	1.48	1.48
12 months	1.48	1.48

Stock Exchange Prices

Oils take a tumble

ACCOUNT DAYS: Dealings Began, May 12. Dealings End, May 30. Contango Day, June 2. Settlement Day, June 9

Forward bargains are permitted on two previous days



ger as
lock

Management Courses
or-made for
individual manager
in the world - FINANCIAL TIMES
for details please contact Sylvia Price (T)
on St. West, Manchester M15 6PB Tel: 061-573 8228

IT ALL TOGETHER
Manchester Business School

1979/80			1978/79			1977/78			1976/77			1975/76			1974/75			1973/74			1972/73			1971/72			1970/71			1969/70			1968/69			1967/68			1966/67			1965/66			1964/65			1963/64			1962/63			1961/62			1960/61			1959/60			1958/59			1957/58			1956/57			1955/56			1954/55			1953/54			1952/53			1951/52			1950/51			1949/50			1948/49			1947/48			1946/47			1945/46			1944/45			1943/44			1942/43			1941/42			1940/41			1939/40			1938/39			1937/38			1936/37			1935/36			1934/35			1933/34			1932/33			1931/32			1930/31			1929/30			1928/29			1927/28			1926/27			1925/26			1924/25			1923/24			1922/23			1921/22			1920/21			1919/20			1918/19			1917/18			1916/17			1915/16			1914/15			1913/14			1912/13			1911/12			1910/11			1909/10			1908/09			1907/08			1906/07			1905/06			1904/05			1903/04			1902/03			1901/02			1900/01			1899/00			1898/99			1897/98			1896/97			1895/96			1894/95			1893/94			1892/93			1891/92			1890/91			1889/90			1888/89			1887/88			1886/87			1885/86			1884/85			1883/84			1882/83			1881/82			1880/81			1879/80			1878/79			1877/78			1876/77			1875/76			1874/75			1873/74			1872/73			1871/72			1870/71			1869/70			1868/69			1867/68			1866/67			1865/66			1864/65			1863/64			1862/63			1861/62			1860/61			1859/60			1858/59			1857/58			1856/57			1855/56			1854/55			1853/54			1852/53			1851/52			1850/51			1849/50			1848/49			1847/48			1846/47			1845/46			1844/45			1843/44			1842/43			1841/42			1840/41			1839/40			1838/39			1837/38			1836/37			1835/36			1834/35			1833/34			1832/33			1831/32			1830/31			1829/30			1828/29			1827/28			1826/27			1825/26			1824/25			1823/24			1822/23			1821/22			1820/21			1819/20			1818/19			1817/18			1816/17			1815/16			1814/15			1813/14			1812/13			1811/12			1810/11			1809/10			1808/09			1807/08			1806/07			1805/06			1804/05			1803/04			1802/03			1801/02			1800/01			1799/00			1798/99			1797/98			1796/97			1795/96			1794/95			1793/94			1792/93			1791/92			1790/91			1789/90			1788/89			1787/88			1786/87			1785/86			1784/85			1783/84			1782/83			1781/82			1780/81			1779/80			1778/79			1777/78			1776/77			1775/76			1774/75			1773/74			1772/73			1771/72			1770/71			1769/70			1768/69			1767/68			1766/67			1765/66			1764/65			1763/64			1762/63			1761/62			1760/61			1759/60			1758/59			1757/58			1756/57			1755/56			1754/55			1753/54			1752/53			1751/52			1750/51			1749/50			1748/49			1747/48			1746/47			1745/46			1744/45			1743/44			1742/43			1741/42			1740/41			1739/40			1738/39			1737/38			1736/37			1735/36			1734/35			1733/34			1732/33			1731/32			1730/31			1729/30			1728/29			1727/28			1726/27			1725/26			1724/25			1723/24			1722/23			1721/22			1720/21			1719/20			1718/19			1717/18			1716/17			1715/16			1714/15			1713/14			1712/13			1711/12			1710/11			1709/10			1708/09			1707/08			1706/07			1705/06			1704/05			1703/04			1702/03			1701/02			1700/01			1699/00			1698/99			1697/98			1696/97			1695/96			1694/95			1693/94			1692/93			1691/92			1690/91			1689/90			1688/89			1687/88			1686/87			1685/86			1684/85			1683/84			1682/83			1681/82			1680/81			1679/80			1678/79			1677/78			1676/77			1675/76			1674/75			1673/74			1672/73			1671/72			1670/71			1669/70			1668/69			1667/68			1666/67			1665/66			1664/65			1663/64			1662/63			1661/62			1660/61			1659/60			1658/59			1657/58			1656/57			1655/56			1654/55			1653/54			1652/53			1651/52			1650/51			1649/50			1648/49			1647/48			1646/47			1645/46			1644/45			1643/44			1642/43			1641/42			1640/41			1639/40			1638/39			1637/38			1636/37			1635/36			1634/35			1633/34			1632/33			1631/32			1630/31			1629/30			1628/29			1627/28			1626/27			1625/26			1624/25			1623/24			1622/23			1621/22			1620/21			1619/20			1618/19			1617/18			1616/17			1615/16			1614/15			1613/14			1612/13			1611/12			1610/11			1609/10			1608/09			1607/08			1606/07			1605/06			1604/05			1603/04			1602/03			1601/02			1600/01			1599/00			1598/99			1597/98			1596/97			1595/96			1594/95			1593/94			1592/93			1591/92			1590/91			1589/90			1588/89			1587/88			1586/87			1585/86			1584/85			1583/84			1582/83			1581/82			1580/81			1579/80			1578/79			1577/78			1576/77			1575/76			1574/75			1573/74			1572/73			1571/72			1570/71			1569/70			1568/69			1567/68			1566/67			1565/66			1564/65			1563/64			1562/63			1561/62			1560/61			1559/60			1558/59			1557/58			1556/57			1555/56			1554/55			1553/54			1552/53			1551/52			1550/51			1549/50			1548/49			1547/48			1546/47			1545/46			1544/45			1543/44			1542/43			1541/42			1540/41			1539/40			1538/39			1537/38			1536/37			1535/36			1534/35			1533/34			1532/33			1531/32			1530/31			1529/30			1528/29			1527/28			1526/27			1525/26			1524/25			1523/24			1522/23			1521/22			1520/21			1519/20			1518/19			1517/18			1516/17			1515/16			1514/15			1513/14			1512/13			1511/12			1510/11			1509/10			1508/09			1507/08			1506/07			1505/06			1504/05			1503/04			1502/03			1501/02			1500/01			1499/00			1498/99			1497/98			1496/97			1495/96			1494/95			1493/94			1492/93			1491/92			1490/91			1489/90			1488/89			1487/88			1486/87			1485/86			1484/85			1483/84			1482/83			1481/82			1480/81			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